

HOME NEWS

Belfast car plant plan threatened by U.S. \$40m credit

BY DAVID LASCELLES AND KENNETH GOODING

JOHN DELOREAN, the U.S. entrepreneur who has been negotiating with the Northern Ireland Development Corporation on the possibility of building a car plant in Ulster, has received \$40m in U.S. Government credit support to build the plant in Puerto Rico.

Mr. DeLorean's office in Chicago could offer no immediate clarification as to whether that split the end of the Ulster venture. Mr. DeLorean was not available, however, the Northern Ireland Development Office has by no means abandoned hope of winning the project for Ulster.

On Belfast's outskirts and near the predominantly Roman Catholic area of west Belfast, the area is some of Ulster's highest levels of employment.

The British Government seems likely to contribute up to \$50m, about 25,000 a job compared with the usual average of £10,000 a job in Ulster, to attract the DeLorean scheme.

But the U.S. Department of Commerce, which, with the help of the Department of Agriculture, is assisting half the \$40m, said it expected the Puerto Rican venture to go ahead, probably towards the end of summer. The Department's loan guarantee will be used to build the plant at a disused air force site in one of Puerto Rico's most distressed areas. The idea is to create some 2,000 jobs in a region where unemployment is nearly 30 per cent.

Puerto Rico will add \$17.7m in loans and a \$3m training grant. The DeLorean Motor Company will provide \$25m in equity, bringing the total value of the venture to \$85.7m.

The 500,000 sq ft plant will produce a sports car known as the DMC-12. Production is expected to start 22 months after the start of construction.

Mr. DeLorean is a former senior executive of General Motors who has been striving for more than three years to start his own motor company.

UNIPORK, the Ulster bacon and pork produce group, has issued protective notices to its 940 workers because of continuing losses, our Belfast Correspondent reports.

The group, controlled by PNB (Investments), a wholly owned subsidiary of the Northern Ireland Pigs Marketing Board, said it might have to close its two plants in Cookstown, Co. Tyrone and Baniskillen, Co. Fermanagh. It is seeking Government aid through the Northern Ireland Department of Commerce, possibly for a scaled-down operation. Unipork has told its workers that it had a substantial trading loss in 1977 and was still unprofitable.

Yarn plant closure, Page 4

GEC puts in £100m 'propaganda' bid

BY JOHN LLOYD AND TIM DICKSON

THE GENERAL ELECTRIC company has made a bid for the 10m-plus turbine contract for Drax "B" coal-fired power station in Yorkshire which is substantially lower than the offer by GEC's major competitor, in the field, C. A. Parsons.

It is now part of Northern Engineering Industries.

The company has stepped up the propaganda battle between the companies by claiming that it applies the most efficient turbines in the country's electricity system.

The General Electric bid stood chance of being accepted and has been turned down by Mr. Wyn Ennals, the Central Electricity Generating Board's chairman. It is seen to have been more to embarrass Parsons than to seriously considered.

There are two reasons why it is virtually impossible for the generating Board to place the bet with GEC.

First, the Government made it clear to the Board that it wanted a turbine contract to go to Parsons to provide continued employment at the company's nearby plant.

Second, Drax "A" Station has two 800-megawatt turbines supplied by Parsons, and it is common practice to repeat the design in the "B" Station.

The price Parsons put out of the order is thought to be about £135m, the £10m more than the Board budgeted for. The GEC figure is thought to be substantially below both the Parsons bid and the Generating Board's budgeted figure.

General Electric is to get about £30m-worth of orders within the overall turbine contract for the supply of feed-heating systems, manufactured at the company's plant at Larn, Northern Ireland.

The company made no comment yesterday on its bid for the entire order.

A year ago Government plans to merge the turbine generator divisions of GEC with Parsons, founded after Parsons successfully opposed what it saw as a takeover by GEC.

The campaign was an extremely bitter one, and relations have been frosty ever since.

Parsons said yesterday that its design and made at their Heaton factory in Newcastle upon Tyne took the first six places in an "efficiency" league published by the Generating Board.

The power stations having these generators are Rugeley, Fairley, Radcliffe, Drax, Pembroke and Ferrybridge.

Antique timepieces fetch £165,000 at Sotheby's

BY PAMELA JUDGE

LOCKS, WATCHES and scientific instruments sold through Sotheby's in London yesterday fetched £165,000.

R. A. Lee successfully bid 500 for an ebony-veneered after-repeating alarm bracket clock signed Dani. Delander London, and a similar price was bid by Robert for a heavy gold minute case minute repeating watch with perpetual calendar and chronograph.

In the morning Sotheby's also sold English furniture for a total of £77,787. A Tabriz carpet made 1000. In the afternoon, the joint paid for dolls was 2,888. A Steiner bisque model fetched £850.

The final total for the two-day sale of printed books at Sotheby's, Chancery Lane, was 2,932 with £16,844 the figure yesterday. A collection of mission and law papers relating to Scotland (1766-1832) went to a German dealer for £130.

Old Masters and made at a picture of sheep and a peasant in a landscape, possibly by van de Velde, which went for £8,500, in a sale which achieved £140,870. Christie's South Kensington, sold printed books for a total of £30,475, including a first edition of Jane Austen's Sense and Sensibility at £4,800. At Phillips, silver made £31,554, including £720 for a pair of George III sauceboats. Stamp sales totalled £22,150.

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Extra £90m agreed for shipyard bids

BY IAN HARGREAVES, SHIPPING CORRESPONDENT

BRITAIN HAS won EEC approval to spend a further £90m in subsidising bids from its shipyards for contracts which might otherwise be lost to countries with lower production costs.

But the Commission's agreement, formally reached yesterday by the competition directorate, covers only the period to December 31 of this year, by which time the Commission expects British shipbuilders to have produced a corporate plan providing for the restructuring of the British industry.

The absence of any such restructuring plan has been behind the long-drawn-out negotiations which preceded yesterday's decision.

The Government has publicly set its face against any planned cut in the industry's capacity, but informally has assured the Commission that the workforce will be reduced and some facilities run down.

The first intervention fund of £65m, announced 18 months ago, is now virtually exhausted, and was used to offer shipowners up to 25 per cent reductions in shipyard's normal prices.

The most interesting point about yesterday's announcement, which has not yet been formally notified to London, is the cut-off date of December 31.

This indicates a continued tough attitude by the Commission towards the flow of funds into the ailing industry and contrasts with the weakness of a recent pronouncement on shipbuilding rationalisation from the Community's Council of Ministers.

This document demonstrated member-states' inability to agree on co-ordinated restructuring of the industry and was a major retreat from the Commission's hawkish position of a year ago, when it was talking of cutting the industry by 45 per cent within four years.

Veto right

The Commission has retained the right to veto or renegotiate Britain's fund at the end of the year, but EEC officials made it clear yesterday that the £90m is intended to last until March 31, 1979.

This precludes the British Government from attempting during renegotiations to increase the basic sum available.

Harland and Wolff of Belfast has won an order worth £23m to build two ferries for British Rail Sealink's Dover-Calais route. The contract has been won with the help of the Government's shipbuilding intervention fund.

This is the first time the fund, of which the Northern Ireland office administers a separate offshoot, has been used to offer a cut-price deal to another UK nationalised industry.

The fact that EEC approval has been required for this latest subvention is believed to have caused the delay in signing the contract, the investment for which was approved by the Government early this year.

The Defence Ministry has placed an order with Vickers Shipbuilding Group for construction of the 14th nuclear-powered Fleet submarine, worth about £50m.

The submarine will be the second in the new Trafalgar Class, the first of which was ordered last September.

These submarines will have advanced equipment, long endurance, high speed and the ability to operate at depths which will enable them to be highly effective in their primary role of hunting enemy submarines and surface ships.

With previous nuclear-powered submarines, Rolls-Royce and Associates will have special responsibility for the design and procurement of the nuclear reactor plant equipment.

Staffing and work key to spending shortfall

By David Freud

THE MAIN reasons for public sector under-spending against Government cash limits in the last financial year were fewer staff than forecast and slippage of capital work, the Treasury said yesterday.

Provisional figures contained in a Government White Paper show that the shortfall in spending amounted to 4 per cent over all the expenditure controlled by cash limits. This was close to the 1977/78 shortfall.

Cash limits were first introduced in the 1976/77 financial year to control non-demand related spending by both central government departments and local authorities.

Last year, limits were set on £22.5bn of expenditure, some two-thirds of public spending.

Out of 126 separate cash blocks, there was only one case of over-spending. In many cases, the level of under-spending exceeded 10 per cent, especially among cash blocks totalling £100m or less.

The single exception was in the block for capital expenditure by local authorities in Scotland on school buildings. This exceeded its £97.5m cash limit by £0.5m and Treasury inquires into this relatively small excess are continuing.

Evidence

The out-turn on the three biggest cash blocks were all within 1.5 per cent of the limits, with a shortfall of only £7m on the rate support grant, £8.5bn block, £86m on the £8.4bn defence budget and £24m on the £4.4bn health and social services block.

The Treasury gave evidence to Commons Select Committees earlier this year on reasons for the under-spending. It said that when expenditure was controlled within prescribed limits, there was a tendency for the total out-turn to fall below the total of the limits.

Other factors in 1977-78 were that general administrative expenditure rose less than forecast, while there were recruitment difficulties and economies in administration.

The Treasury analysis of the 1977-78 provisional out-turn showed that the larger the block, the closer spending was to the limit.

Cash Limits 1977-78 Provisional Out-turn. SO Cmd. 7295, 40p.

Bank charges

MR ROY HATTERSLEY, the Prices Secretary, hopes to make a statement "in the next few weeks" on the Price Commission's recommendations in its report on bank charges. The Commons was told in a written answer.

U.K. to discuss oil exchange

BY RAY PERMAN

TALKS WILL start early next year to arrange an exchange of crude oil between British and Venezuelan national oil companies.

Preliminary discussions have already been held when Lord Kearton, chairman, and other officials of the British National Oil Corporation, visited South America earlier this year.

Venezuela produces mainly heavy crude, suitable for refining into fuel oils but unsuitable, without considerable processing, for conversion to light products, such as petrol.

Although the country is among the world's biggest exporters of crude, it is unable to meet the rapid increase in its own demand for light oil products, and could be importing these within 18 months.

The Venezuelans have indicated that an exchange with Britain would be a satisfactory way to meet this problem.

Lord Kearton said yesterday that the Oil Corporation saw advantages to itself, both in being able to offer different types of crude oil in international trading and in co-operating with another nationalised oil undertaking.

Market

The Government also feels that such a swap would smooth the way towards a greater flow of trade between the two countries.

UK suppliers of equipment and services to the oil industry are looking to Venezuela as a potential export market.

The Venezuelan deal is only one of about a dozen contracts which the corporation is following up with other national oil companies.

An exchange of technical and economic information could be possible with the Mexican company, Pemex, following Lord Kearton's visit to Mexico last month. Talks are likely to open within the next few months with Statoil, the Norwegian state concern, about projects of mutual interest.

Lord Kearton said that in some quarters, co-operation between national oil companies was seen as a means of loosening the "grip of iron" maintained on the industry by the big private multinational corporations. The multinationals saw this as a possible threat.

Burmah loses fight for papers

BY MARGARET REID

A HIGH COURT judge yesterday rejected an application by Burmah Oil for the release by the Bank of England of 62 secret documents. Burmah believes the documents are important to its £500m action against the Bank for the return of its former shareholding in British Petroleum.

Mr. Justice Foster ruled that the documents, which include communications to and from Ministers during the Bank's rescue moves for Burmah in that company's financial crisis in late 1974 and early 1975, were high level policy documents.

"It is necessary for the proper functioning of the public service that they should be withheld," he said.

Crown privilege had been claimed by the Treasury for the non-production of the documents. Burmah's application was opposed by Mr. John Vinelott, QC for the Attorney-General on the ground that disclosure was not in the public interest.

The judge granted Burmah leave to appeal against his decision. Costs of the hearing were awarded to the Crown and the Bank of England against Burmah.

Giving judgment, the judge said that the Bank, from the first approach to it about Burmah's difficulties, acted in close contact with, and under the direction of, the Government.

The disputed documents related to negotiations which resulted in the agreement of January 23, 1975 between Burmah and the Bank, under which Burmah's BP shares were bought by the Bank for £178m. It was that agreement which Burmah was seeking to have set aside.

Last October, Mr. Joel Barnett, Chief Secretary to the Treasury, signed the "no disclosure" certificate which led to the present proceedings.

The judge said: "If Burmah had in late-1974 or early-1975 collapsed financially, the consequences to the stability of the pound and the Government's North Sea oil policy were incalculable and might have been catastrophic."

"The decision by the Government to spend public money in assisting a large commercial company to avoid collapse was a decision at the highest Governmental level."

Top salaries body may recommend more pay for MPs

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

THE LEVEL of salaries for MPs and Ministers during the coming year is to be referred to Lord Boyle's Top Salaries Review Board. The move will almost certainly result in rises being recommended in excess of the Government's 5 per cent Phase Four guidelines.

The decision was announced in the Commons yesterday by Mr. Michael Foot, Leader of the House, and Mr. William Price, Parliamentary Secretary to the Privy Council Office, when MPs approved orders giving themselves and Ministers a Phase Three 10 per cent increase in salaries.

The recommendation that the Board should consider a Phase Four increase has been made in response to heavy pressure from MPs for further rises to keep them abreast of inflation.

It is intended to avoid the impression that they are all-powerful in deciding their pay. Although the Board has been asked to report as soon as possible, the recommendation would still have to be implemented by a Commons vote that could not be taken until the autumn.

Yesterday neither Mr. Foot nor Mr. Price would promise that they would necessarily accept the board's recommendation.

The board will also be asked to look into the possibility of linking Commons pay to a higher grade of the Civil Service, to avoid the necessity of MPs debating their salaries. It will also look at anomalies in the pension scheme and in allowances.

On past performance, the board is likely to recommend rises well above 5 per cent. In 1975 it proposed that MPs' salaries should be increased to £8,000, which is equivalent to £11,500 at today's prices. Ironically, the Government refused to implement the recommendation.

Mr. Foot said yesterday that he was looking for a "very considerable" improvement in pay and conditions for members.

Under the increases approved yesterday, the salary of a back-bench MP will be £6,897 a year. The Prime Minister's salary goes up from £20,000 to £22,000, and that of the Leader of the Opposition from £9,500 to £10,450. Most Cabinet Ministers will be paid £14,300, plus £3,529 of their MP's pay.

War widows safeguarded against pension drop

BY ERIC SHORT

THE GOVERNMENT announced measures yesterday to protect pension levels of war widows from a drop in value next April, when there will be child benefit increases.

Mr. Alfred Morris, Minister for the Disabled, in answer to a Parliamentary question, said that from next April child benefit payments would be increased by £1 a week, to £4 for each child, while social security allowances would be reduced by the same amount and child tax allowances withdrawn.

This would have meant that a war widow paying tax would be worse off. To safeguard her income, the dependency allowance would be increased by 5p next April instead of being reduced by £1.

The net result of this change will be that no war widow paying tax will suffer loss of income, while some will receive an increase of up to 42p a week.

War widows not paying income tax will be £1.05 a week better off. This arises because the child dependency allowances paid to war widows are not taxable.

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HOME NEWS

Telephone engineers disrupt business of U.S. bank group

BY MICHAEL BLANDEN

CONTINENTAL ILLINOIS, the Chicago-based banking group, is meeting big obstacles at its new London headquarters as a result of union action.

The Post Office Engineering Union, which is campaigning for a 35-hour week, has blacked out on the building after the bank's new switchboard was connected by a member of the Post Office senior management.

Mr. Kirk Hagan, general manager of the branch in Queen Victoria Street—the former Printing House Square headquarters of The Times newspaper—said yesterday that as a result, dealers had no Reuter monitor on wire services.

The foreign exchange and money market room was operating with only a fraction of the planned number of direct broker lines.

The branch was also having to operate without a direct line for data processing, carried out in a string of computer reports came in very late.

Courtaulds to close Ulster yarn section

BY OUR BELFAST CORRESPONDENT

COURTAULDS proposes to close its Ulster industrial yarn department at its Carrickfergus plant, Ulster, putting 255 out of work.

Producing of Tencos, used mainly in the fabric body of vehicle tyres, is to be concentrated at the company's Preston factory, where capacity is three or four times larger than Carrickfergus.

The Ulster plant's labour force would be cut to about 1,400 by the proposal which is to be discussed with the unions.

Demand for Tencos has fallen steadily over five years. Courtaulds blamed this on greatly increased tyre life, the increased use of steel in tyres, and the

Lloyd's Savonita probe will be delayed

BY JOHN MOORE

THE LLOYD'S of London team inquiry into the Savonita claims dispute involving two of its insurance brokers will not complete its report by next week as originally planned.

Mr. Clifford Clark, the independent chairman of the inquiry team, said yesterday: "We are not talking in terms of a delay of months, rather a few weeks."

Part of the delay was due to the holiday period, which had prevented witnesses from attending.

But more significantly, the scope of the inquiry, whose initial terms of reference were to look into and report on all circumstances of the handling of the Savonita claim as they affected Lloyd's, had had to be widened.

"In a matter like this it is bound to spread outside the

NBC insured for \$40m over Olympic Games

BY JOHN MOORE

LLOYD'S of London has insured NBC, the U.S. TV company, for more than \$40m in its coverage for the 1980 Olympic Games in Moscow.

NBC is insured against any cancellation of the Games because of a political flare-up between the participating countries or if the Americans have to pull out because of any political row with the Russians.

The placing of the business—was done by Lloyd's brokers C. T. Bowring, and completed at the beginning of this year.

Dividend curb extension meets no opposition

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

GOVERNMENT LEGISLATION extending statutory 10 per cent dividend controls for a further 12 months was given a second reading without a vote in the Lords yesterday.

The Dividends Bill is expected to go through all its remaining stages in the Lords on Monday and receive Royal Assent the same day.

No significant opposition is expected from the peers during Monday's Committee Stage and the Conservatives and Liberals are not expected to put down any amendments.

Possibly, however, Lord Monson, a crossbencher, will try to amend the legislation. Yesterday he described it as a cynical and contemptible Bill. "We must amend it next Monday to reduce the scope of operation for the harm it does."

Should snags arise, they will embarrass the Government, as the present controls expire on Monday. The Government would have little time to rectify matters, as the Lords rise for the summer recess on Wednesday and the Commons breaks up on Thursday.

Yesterday's Lords debate came with the end of May, and that by now the figure could have reached an extra 75m bottles.

Overseas Trade Statistics, however, show a big rise in the value of wine being imported to the UK, and this eventually must be reflected in retail prices.

In particular, French wines must be due for a jump in price. In the first five months, the volume of wine imported from France advanced by only 3 per cent on the same period

Home rate for water may be raised

BY LYNTON MCLEIN, INDUSTRIAL STAFF

THE THAMES Water Authority proposed yesterday that within three years, there should be a sharp drop in water charges to offices, lower rates for industry and commerce and higher rates for domestic users.

It also proposed that there should be a switch of charges from the highly rated domestic properties to lower-rated premises "to get a more even spread of charges."

Moves in this direction had already started with the introduction of the two-tier charging structure for householders.

This came into effect in April and imposed a 24 standard charge for sewerage services and a 24 charge for water services, regardless of the rateable value of the house—previously the sole criteria determining water charges.

The changes would mean that a house with a rateable value of £100, which now paid an average £17.80 per year in water charges, would pay £23.75.

British Elfa to provide 220 Ebbw Vale jobs

By Our Welsh Correspondent

THE SWEDISH company Jogen-Jorsfarms Elfa AB, a member of Rotos Group's wire division, is to establish a factory at Ebbw Vale, the South Wales town hit recently by the closure of its steel plant.

A new company, British Elfa, will take over a Welsh Development Agency factory at Taffar-nabach, near Ebbw Vale, to manufacture coated wire baskets.

The factory is 35,000 sq ft at present, but is to be extended to 80,000 sq ft.

The plant should provide 220 new jobs for Ebbw Vale. About 2,000 steel workers were made redundant in the town as a result of British Steel's decision to end steelmaking there.

Experience

Mr. John Morris, Welsh Secretary, said yesterday that the new company was ideally suited to the area.

The skills and experience of the steel-based work force could be readily adapted to meet the needs of the new industry.

Success with the project had been achieved by close co-operation between the Welsh Office, the Welsh Development Agency, Blaenau Gwent Council and British Steel.

Oil groups oppose tax change

By Ray Dafter, Energy Correspondent

NORTH SEA oil companies have told the Government that exploration and development efforts could be "seriously impaired" if the proposed offshore tax changes come into effect.

An additional tax burden and associated loss of confidence could hit the offshore effort needed to ensure that UK oil production continued at significant levels into the 1980s, says Mr. George Williams, director general of the UK Offshore Operators' Association.

In a letter to Government, he claims that the industry's problems with a marginally economic offshore oil sector would be exacerbated by a lower Government tax take, not a higher one.

The Treasury and the Department of Energy are expected to announce changes in the Petroleum Revenue Tax structure and details of the conditions for the next round of offshore licences next week.

It is thought that the Government will seek to raise the basic rate of the tax, from 45 per cent of specially defined profits to nearly 60 per cent, and will aim to change some of the concessions to oil companies.

Mr. Williams's letter says that it would be "extremely imprudent" for the Government to revise the tax system without consultation with the industry.

The association considers that only British National Oil Corporation on the subject would not be adequate, particularly as the corporation is exempt from the tax payment.

Wine sales and prices may rise sharply

BY KENNETH GOODING

WINE SALES in Britain seem set for another boom, but prices are also due to rise sharply, according to the latest official statistics.

Customs clearances of wine in the first five months of this year were 39 per cent, or nearly 7m gallons, ahead of the same period of 1977, at 24.8m gallons.

The Wine and Spirit Association estimates that this means that about 50m extra bottles of wine were drunk—including British wines—in the



Leaders of the construction industry and its associated professions met Mr. Peter Shore, Secretary for the Environment, yesterday to discuss long-term development prospects and the impact of public expenditure fluctuations on building output.

Mr. Shore, pictured left with some of the "Group of Eight" delegation, assured the industry that construction would in future be considered as a programme in its own right, as were such areas as education or health.

The delegation regarded the pledge as important. The industry hopes that public spending programmes will take more account of their likely effect on construction.

Further discussions with departmental officials are to follow yesterday's meeting. They will cover such topics as methods to stimulate private demand, inner-city land supplies and building regulations and development control.

The "Group of Eight" was established during the depths of the construction recession to present a unified approach to the Government on the part of the entire industry. Apart from seeking a more stable, long-term pattern of work from the public sector, it has repeatedly sought an immediate restoration of some of the spending cuts made over the past two or three years.

Ministers have welcomed the group's formation. In the past they have criticised the industry for being too fragmented and unable to adopt a common approach to its difficulties.

Labour calls for urgent council house reforms

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

URGENT REFORMS to preserve the public housing sector as a genuine alternative to home ownership were demanded by the Labour Party yesterday.

A report entitled A New Deal for Council Housing, endorsed by the party's National Executive Committee last week, says that changes must be made which will open up public housing to all who choose to rent.

The rights and freedoms of other housing tenures should also be extended to public rented tenants, but the value of tenancy should also be established.

The Government outlined plans for a new Housing Bill in June and made it clear that a "tenants' charter," providing a comprehensive package of statutory rights, would be included.

Mr. Frank Allaun, MP for Salford East, and chairman of the working party responsible for producing yesterday's report, said that measures were required to prevent the public housing sector declining to a point where it provided only "welfare" accommodation for the needy.

The report says that widespread dissatisfaction exists over living conditions among the country's 6m tenants, but that the working party responsible for producing the report would put even greater demand on the public housing sector.

Mr. Roy Hattersley, Secretary for Prices and Consumer Protection, has decided not to refer the proposed merger of the insurance interests in Britain of Allstate Insurance Company and Great Universal Stores to the Monopolies and Mergers Commission, he said yesterday.

Merger decision

The growth of home ownership, encouraged as much by Labour Governments as by others, would further narrow the social make-up of the public sector, unless tenants were offered more varied housing opportunities and a "greater degree of personal independence and control over their homes."

Local authorities should be encouraged to improve physically and environmentally, allowing tenants to make their own improvements as well, and security of tenure should be extended to all public sector tenants.

Local authorities should be encouraged to obtain a court order before seizing goods to pay off rent arrears, as in the private sector, and local authority housing allocation policies should be "open to challenge," with the criteria involved being made publicly available.

The rise in the price of most European wine reflects a genuine scarcity of many types. Stocks are low and the problem is being exacerbated by demand from the U.S. where there is a boom in white wine drinking.

LABOUR NEWS

Ambulances banned by crews

BY OUR OWN CORRESPONDENT

LARGE AREAS of Scotland were without normal ambulance services yesterday, after further trouble with the services fleet of Bedford CF 25 vehicles.

Crews in Edinburgh and Glasgow decided to ban the ambulances after a wheel fell off an ambulance taking a boy to hospital in Glasgow on Tuesday night and an Edinburgh driver reported a rattle in the rear wheel.

Their action—which means emergency-only services being operated in both cities by Morris ambulances—follows a similar ban in Renfrew and Greenock districts. They have been banning the

Bedfords for 10 days. While no injury has been caused by wheels coming off, the men regard the vehicles as "dangerous." "We are not going to drive them, and that's that," said an official of the Transport and General Workers' Union.

Bedfords represent about 80 per cent of the Scottish ambulance fleet of 360 vehicles. Vauxhall, the manufacturer, said that there is no design fault in either the Bedford chassis or their components.

The company cannot understand why the problem seems to occur only in Scottish ambulances.

Intensive investigations have been held by the company and

independent consultants since the first incident 18 months ago. They are trying to find out why rear-wheel nuts loosen suddenly and unexpectedly. The dispute seems likely to continue until the Common Services Agency, which administers the Scottish ambulance service, reports on the findings of a special committee set up after the Renfrew and Greenock incident.

Even intensified daily checks on the wheel nuts have not solved the problem. The driver of the ambulance which lost a wheel in Glasgow on Thursday night said he had checked the nuts before he set out. He had done only four trips around the city before they all came off.

Progress at Chrysler peace talks

By Our Labour Editor

SOME PROGRESS towards resolving the strike at Chrysler's UK's Linwood plant in Scotland was reported yesterday.

At a further meeting in London of trade union and department of industry officials and company management, various unspecified proposals were put forward. These will be considered by the two sides in the dispute and another meeting has been arranged for Tuesday.

Meanwhile, Mr. George Lacy, managing director of Chrysler UK, last night described as "absolute rubbish, irresponsible and totally without foundation" a report that the company was planning to ask the Government for another big cash injection to stop the UK subsidiary closing down.

The denial comes in the wake of latest figures from the parent corporation showing a second-quarter deficit of about £87,000 for the UK company after a small first-quarter profit.

Speculation about the future of the Linwood plant has been voiced, and are believed to have been mentioned at a meeting on Wednesday when Mr. Eric Varley, Industry Secretary, and other Ministers were present.

Yesterday's discussions are understood to have concentrated on a dispute which arose from management attempts to speed up production by new ways of determining temperatures in the hottest parts of the paint shop.

About 550 paint shop workers are resisting attempts to change their rest breaks in these areas. Over 4,000 workers have been laid off.

Without some kind of agreement in the next week, the plant may not restart production at the end of the three-week holiday on August 7.

Early pensions help plant redundancies

By Our Midlands Correspondent

MASSEY-FERGUSON, the Coventry-based tractor maker, has achieved 900 of its 1,020 redundancies at Coventry and Kidderminster by voluntary means and early retirement.

The remaining 8,800 workers at Coventry return to full-time working next week after the holidays since short time, and later redundancy was introduced at Easter.

Kidderminster, which mainly makes agricultural equipment other than tractors, has escaped short time but will be losing work during a fortnight in September.

Sun journalists backed by union

BY PAULINE CLARK, LABOUR STAFF

THE National Union of Journalists has given its official backing to a dispute on the Sun newspaper. Journalists have been asked for taking industrial action over a pay claim.

But as the strike prevented the newspaper from publishing for the sixth night running all the signs were that the Advisory Conciliation and Arbitration Service would soon be formally asked to help find a solution to the dispute.

The NUJ executive council, meeting in London last night, agreed to a request that the journalists should be allowed to take the dispute to ACAS and the Sun chapel (union branch) also yesterday signified that it would be prepared to accept the proposal—despite having earlier this week rejected the idea.

The dispute, which has so far cost the paper an estimated £500,000 and resulted in the loss of about 30m copies, involves about 220 editorial staff.

The management says that the dispute centres largely on the interpretation of what should constitute a productivity deal.

In its letters of dismissal to the journalists on Thursday night, the management took the unusual step of reserving the right to seek damages from the strikers.

It said: "The company reserves the right to seek damages from you as compensation for the loss which it has suffered as a result of your breach of contract."

Mr. Ken Ashton, general secretary of the NUJ, said last night that the union was "impressed by the Sun journalists' total loss of confidence in their employers' behaviour. Our members are

prepared to meet them at any time."

The union was asked by the Council of the Newspaper Publishers' Association earlier this week to give an assurance that it would abide by agreed dispute procedures.

Mr. Bert Hardy, general manager and chief executive, said last night that only the journalists could offer a solution to the dispute by returning to work. The pay issue was already "a very difficult one which would involve a great deal of talking."

The NUJ Chapel at LBC, the London news-based commercial radio station, has unanimously called on the Independent Broadcasting Authority to conduct an immediate inquiry into management-staff relations at the station.

The resolution says the journalists are "appalled at the consistently destructive attitude towards industrial relations taken by the management."

LBC has not broadcast normal programmes for the last a week, nor have the other 18 commercial radio stations been supplied with its Independent Radio News service.

The NUJ said in a statement yesterday: "For five years, LBC and IRN have maintained their services on the goodwill of journalists who have prepared frequently and regularly to carry out responsibilities at a higher level than that at which they are employed, on a voluntary basis and without payment."

"In April of this year the agreed dispute procedure was invoked in relations to five specific cases of extra responsibilities. Despite meetings on three separate occasions, the company had put forward no proposal of any kind by last Friday, July 21.

Gas control workers plan unofficial strike

WORKERS who control the flow of natural gas into the national grid system are staging an unofficial 24-hour strike next Monday which may reduce pressure in some areas.

They are complaining of delay in an agreement on trade union facilities between the National and Local Government Officers Association and British Gas.

They are members of the NALGO British Gas Operation branch. Mr. John Newell, the branch vice-chairman, said yesterday that it was difficult to predict what effect their action would have.

It is likely that pressure will be reduced in some sections of

the grid, depending on the demand.

British Gas said that it did not think the action would affect supplies. But it was impossible to forecast accurately what the effect would be.

The workers concerned deal with the flows and pressures of natural gas through the mains from shore terminals to the regions.

A union official said the trouble was over a trade union facilities agreement for workers facing communications difficulties.

Negotiations with British Gas were continuing and the workers' action was not supported by the union.

£2.5m German order disputed

FINANCIAL TIMES REPORTER

A COMPANY'S decision to buy £2.5m worth of machinery from Germany has sparked a political row involving Mr. Eric Varley, Industry Secretary, and Mr. Anthony Wedgwood Benn, Energy Secretary.

Thames Board Mills, a subsidiary of Unilever, which manufactures carton board, has placed an order for £2.5m worth of sheeting machinery with the German company of Jagenberg. The machinery will complement £10m worth of machinery already ordered from a British company, Beloit Walmesley.

The machinery is part of an £33m expansion undertaken by Thames Board at its Worthington mill to increase capacity by 50 per cent to 150,000 tonnes of duplex board a year.

It is estimated that it will

create 265 more jobs directly, with a further 260 jobs in the forestry and transport industries.

The Government has approved a £10.8m investment grant for the expansion. The company already receives between £18m and £20m in regional aid.

However, a Bristol-based company, Masson Scott Threlkell, part of the Basing group, put in a bid for the sheeting machinery understood to be around 15 per cent lower than the German price.

Thames Board claims that the Jagenberg machinery is superior to that supplied by Masson.

Masson shop stewards have approached Mr. Benn, who is Mr. Varley's assistant, to take the matter up with Mr. Eric Varley, whose department pays the grants to Thames Board. Masson also receives government aid of around £500,000.

The Department of Industry said yesterday that Mr. Benn had written to Mr. Varley, and that it was now having discussions with Thames Board.

Mr. John Williams, chairman of Thames Board, said that he had no intention of changing the contract with Jagenberg.

Investors have neglected Australia for a number of years, but there are now signs of a real revival of interest. The M&G Australasian and General Fund is particularly well-placed to take advantage of any recovery. Please complete the coupon for the latest Fund Managers' Report.

THE M&G GROUP

THE WEEK IN THE MARKETS

Equities in good heart

Despite the prospect of another round of statutory dividend controls the equity market was in fine form over the week. On Thursday it even managed to turn an initial 2.7 fall in the FT Ordinary Index into a 6.8 rise at the close. By the end of the week the index had risen nearly 13 points while the FT All-Share Index was within a whisker of its all time peak. Some institutional demand in a market very short of stock was basically given as the reason behind the unexpected buoyancy.

Gilts also kicked off in good heart and the long tap was exhausted on Monday. But thereafter the market soon drifted away until the decision on Thursday to release another tranche of the special deposits restored confidence, and the announcement of a new long tap yesterday caused few ripples in the market.

Thomson reshuffle

Thomson Organisation's decision to exercise its option to take over the Thomson family's lucrative North Sea oil interests was nowhere near as simple as outside observers had been expecting.

The first part is straightforward enough. Thomson is finally taking over the family's stakes in the Piper and Claymore oil fields now that they are developed and nearing peak production. However, the deal is complicated by the decision to take over the remaining 10 per cent family interest (to avoid conflicts of interest) and inject the whole lot into a brand new Canadian company, International Thomson Organisation.

The combined group is forecasting attributable profits of \$45m in the current year of which just over two-thirds will reflect oil income.

Apart from the fact that Canada is the Thomson family home (it already owns four-fifths of Thomson Organisation), the move is designed to help the group utilise its rapidly rising cash balances. It has £100m in the kitty at the moment and will be generating upwards of \$50m per annum surplus to its existing requirements over the next few years. If it tried to invest these from a UK base it would be subject to exchange controls and dividend restraint as well as monopoly legislation.

Although the deal is complicated the non-family shareholders in Thomson Organisation seem

to have been treated fairly. Their dividend has been quadrupled and a quarter of each Thomson share is now effectively rated as a foreign currency security—some people had been hoping for more. However, those investors who had been running the share price up to 285p, where it was suspended, were in for a disappointment. When dealings restarted this week the price settled down around 270-280p.

Stag fever

Dealings in jewellers Ernest Jones started this week at a premium of 30p (offered at 115p) to conclude yet another highly successful offer for sale. Putting aside Hunting, which was a special case—the parent floating off part of the company—the response to the last three offers, Eurotherm, Cartiers and Jones, has been overwhelming. Saga Holidays broke the ice last March and though the initial response was more muted than that to the next three issues Saga's price is now 50 per cent above the March offer.

The fixed interest new issue market has also had its excitement. This week a £15m offering by Camden council attracted

LONDON

ONLOOKER

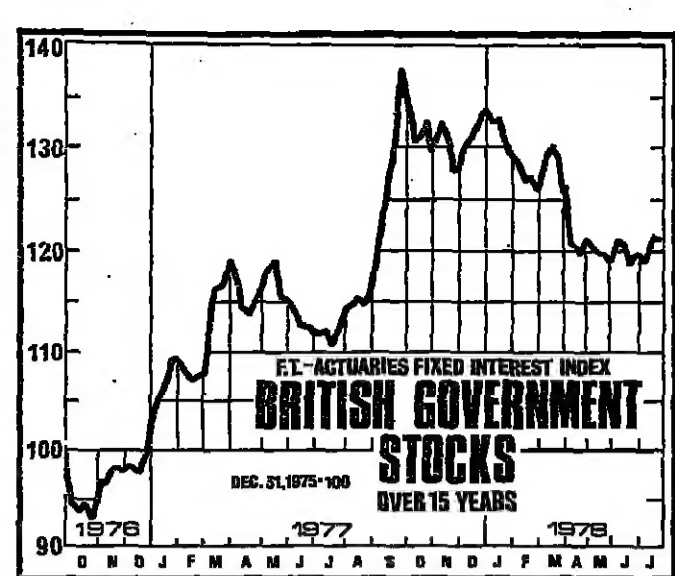
applications for around £900m; a couple of good days in the gilt market between the time when the terms were pitched and application day completely changed the picture.

But these tremendous responses are unlikely to tempt the issuing houses into pitching their offer prices that much higher. The dividing line between success and failure is very narrow and a flop after three recent showings would be a very black mark. Moreover it might put off what few equity issues are coming to the market.

Bouquets & brickbats

Bouquets for Spillers and brickbats for J. Lyons was M&G unit trust group's contribution to the two companies' AGMs held this week.

At issue was the companies' policies on dividends. Spillers was to be congratulated, according to Mr. David Hopkinson, chairman of investment managers for M&G, for paying



a final dividend—albeit reduced—despite the tremendous problems it has faced as a result of the collapse of its baking business.

Lyons however received a rap on the knuckles for passing its final dividend to Mr. Hopkinson described as a stop-go policy. He said that both companies had faced similar difficulties but Spillers' decision to reduce rather than forego a final dividend was much the better policy. M. and G. funds control a 5 per cent stake in Spillers and have a 15 per cent holding in Lyons.

Mr. Hopkinson said that it was likely that both companies would in the next few years have to come to shareholders for further funds. They were much more likely to meet this call where there is a consistent dividend policy.

However, this view clashes with the textbook definition of risk capital. When a company is successful its shareholders should be rewarded. When it is in financial difficulties, it has no business to be paying out dividends and adding to its burdens.

Oil outlets

Ultramar, the independent oil company whose Indonesian oil field is now producing a strong cash flow, this week announced a move intended to put right its loss-making refining and marketing operation in East Canada.

The trouble in Canada is similar to that in Europe: too much capacity and stagnant demand. Ultramar has a big refinery which is only working at two-

Minor rally

FOR MUCH of this week the stock market assumed the appearance of a house without windows, determinedly shutting out the rising din of worrisome economic news of a weakening dollar, rising wage settlements and stagnant productivity. Thus insulated, investors were dazzled by the attractions of two or three dozen stocks, mostly those traditionally tagged glamorous, whose earnings prospects this year range from good to excellent. This is not an illogical thing to do when the development of the economic world outside is still so very difficult to predict.

The approach proved very good for stocks and over the week the Dow Jones Industrial Average advanced 22.57 on good trading volume fuelled by gathering institutional participation. Powering the minor rally were the household names such as Polaroid, which has been trading around its best price since 1974, IBM, Eastman Kodak and Texas Instruments.

By this morning, however, the world at large was tugging at the investor's sleeve demanding attention. There have been few

greater attention grabbers this year than the Consumer Price Index whose elevation in June exceeded Wall Street's most pessimistic forecasts. Once again the U.S. economy stood afflicted with double digit inflation and so once again there is a shaking of heads and much muttering that this cannot be allowed to continue.

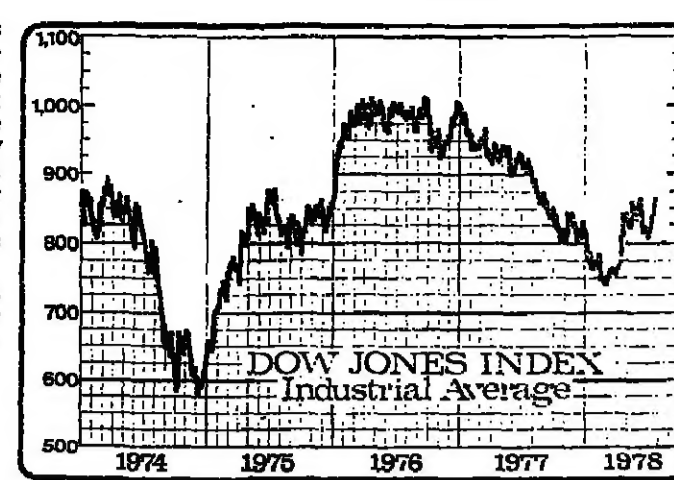
There is no disagreement in the U.S. on this although there is much argument on how to

NEW YORK

JOHN WYLES

tackle the problem. With a high underlying rate of inflation and economic growth running at between 3 and 4 per cent in real terms, many find it hard to believe that short term interest rates can yet be their summit for this business cycle.

Mr. G. William Miller, the Chairman of the Federal Reserve Board upon whose every word many hang, appeared optimistic on the subject before a Congressional Committee this week and resolutely affirmed that the Fed had no intention or desire to push the U.S. economy into a recession next year. He hoped that interest rates would be



peaking in the next few months and that credit conditions would be a little easier by next year. But today Mr. Miller forecast inflation over the next 12 months of between 7 and 7.5 per cent and real economic growth between 3.5 and 3.7 per cent.

Merrill Lynch, which this column reported last week has forecast a probability of a recession next year, followed up this week by reaffirming its expectation of a substantial stock market decline later this year. The company's investment strategists argued that the market is in the midst of a secondary rally at the moment which will give way to a decline because of inflation, rising interest rates and a

	Close	Change
MONDAY	831.60	-1.82
TUESDAY	839.57	+7.97
WEDNESDAY	847.19	+7.62
THURSDAY	850.57	+3.38
FRIDAY	854.29	+3.72

Midget bites giant

IT WAS with a mixture of amusement and interest that the U.S. airline industry read the news earlier this month that Texas International, a small carrier based in this South Texas metropolis, had bought just under 10 per cent of the shares of National Airlines, a major U.S. airline over twice its size, and was "considering the possibility of seeking control."

But like most people in this booming oil town, Texas International (TXI) likes to think up to 50 per cent out on routes where demand was soft but where it reckoned people would fly if the price was right. It decided to call these "peanut fares." And just as the civil aeronautics board approved a certain peanut farmer called Jimmy Carter was elected President.

airlines could face as the industry moves into the era of deregulation.

TXI, dubbed the maverick airline, is based in an untidy jumble of buildings on the edge of Houston's honey no. 2 airport, Hobby Field. "We spend our money where our customers see it," explained Jim Donnelly, the company's marketing chief, referring to TXI's sleek new booking and passenger facilities at Houston's prestige Intercontinental Airport on the other side of town.

With a new image, TXI built up a fleet of DC9s and started to expand its business primarily around the southern U.S. and Mexico. But its biggest innovation was fare-cutting where, it claims, it led the pack.

"We believed that cheap fares should be dictated by the market and not by the time of day," explained Mr. Donnelly, alluding to the fact that most cheap

flares on U.S. domestic routes appear between 9 pm and 6 am. So TXI drew up a plan to offer up to 50 per cent out on routes where demand was soft but where it reckoned people would fly if the price was right. It decided to call these "peanut fares." And just as the civil aeronautics board approved a certain peanut farmer called Jimmy Carter was elected President.

"It was a happy coincidence," said Mr. Donnelly. "But the results were immediate. We registered a 350-400 per cent increase in traffic on the first five routes we tried, and we've since extended it further. About half of our total passengers now travel on peanuts fares."

To underline that fare-cutting airlines can make good profits, Mr. Donnelly said that TXI cur-

U.S. AVIATION

DAVID LASCELLES

rently earned about 5 cents on the dollar in an industry where a return of one cent is not uncommon. "Even so, we want to make 10 cents on the dollar," he said.

TXI emphasises that it is not going for all-round fare-cutting. "We don't intend to become a Freddie Laker. We see low fares as just one element. You need all kinds of fares for all kinds of routes. People should pay full fare where the demand justifies it." TXI's enviable growth record is in a sense typical of regional airlines, whose profits have shown greater strength in the last few years than the major airlines who have to bear much higher costs. TXI has also accomplished its turnaround on the basis of an existing network, without investing in new routes. However, now that its financial strength has improved the airline has begun to look for new destinations to add to its network. So far, it has applied for routes to Minneapolis, Philadelphia, Washington, Baltimore, Florida and several resort areas in Mexico. Earlier this month it got the go-ahead for Dallas-Fort Worth.

MARKET HIGHLIGHTS OF THE WEEK

	Price	Change	1978	1978
	Y'day	on Week	High	Low
Ind. Ord. Index	492.1	+12.9	497.3	483.4
Gold Mines Index	183.4	+8.4	183.4	130.3
Barclays Bank	342	+17	358	296
Bourne & Hollingsworth	212	+97	212	79
Burton A.	140	+22	142	99
Clifford (Chas.)	112	+15	114	81
De La Rue	402	+42	402	230
English Property	37	-5	51	27
Farnell Electronics	333	+33	333	186
Furness Withy	244	+19	248	206
Inchcape	370	-35	445	350
Ingram (H.)	27	-11	40	27
Ladbroke	171	+16	215	155
LASMO 'Ops'	375	+40	415	284
ML Holdings	155	+25	155	88
Orme Developments	57	+14	58	40
Peage of Birmingham	63	+19	65	32
Pearson Longman	260	+66	260	174
Ricardo	206	+14	206	107
Thomson Organisation	282	-13	295	155

U.K. INDICES

	Average	July	July	July
	week to	28	21	14
FINANCIAL TIMES				
Govt. Secs.	70.89	70.61	70.13	
Fixed Interest	72.19	71.62	71.73	
Ind. Ord.	486.4	473.8	470.8	
Gold Mines	176.6	166.8	159.5	
Dealings mkt.	5.169	4.451	4.402	
FT ACTUARIES				
Capital Gds.	223.25	216.77	214.56	
Consumer (Durable)	204.96	198.87	197.85	
Cons. (Non-Durable)	210.71	203.51	202.08	
Ind. Corp.	218.91	212.29	210.46	
500-Share	241.83	235.52	234.28	
Financial Gp.	167.73	164.98	162.24	
All-Share	222.88	217.55	215.99	
Red. Debs.	57.14	56.95	56.80	

Opening gambit on punter's market

THE PHILIPPINES, famous for oil price rise of 1974. The oil Karpov's yogurt and President Marcos's martial law, is playing most commodity prices began host to the Far East's latest share boom.

During the month that the chess grandmasters have been from the Philippines during its squaring off for the honour of being the second best player in the world and President Marcos has been taking the first steps to liberalise his regime the prices of industrial stocks listed on the Philippines stock markets rose by roughly 15 per cent.

Since the beginning of the year the commercial-industrial index has jumped almost 40 points to 119.44 and prices of leading stocks are between 25 and 100 per cent higher. The boom looked a little shaky towards the end of the week but observers are suggesting that it marks the beginning of a consolidation phase (which is desirable from a chartist's point of view) rather than the beginning of a massive sellout.

Being in the U.S. commercial sphere of influence in the Far East the Philippines has been, like the chess championship, a second best contest for the Bobby Fischers of UK investment.

In the past it has been a punters market with copper stocks and speculative oils the main areas of interest. The commodity boom of the early seventies aided domestic liquidity but the balance of trade was hit very hard by the

investors started to switch from short-term debt investment to commercial equities and the price boom gathered enough momentum, to carry it through to July 21.

Since then there has been some profit taking and the index has slipped a little. Whether this is just a mild tremor or a plunge back to the nearest support level (roughly 40 points below its current peak) will depend on the strength of the belief that a significant reappraisal of the commercial and industrial sector has taken place.

Many observers tend to accept that a change has taken place, and that further growth will follow the consolidation. They point to the low p/e ratios of leading stocks, the high cash yields, the rapid profit growth and the potential of the Philippines economy.

The mining sector, traditionally the major sector of the market, has been quiet for some time as commodity prices, particularly copper prices, have continued to languish. There was a bit of interest in copper shares when the Zaïre invasion lifted spot prices and rumours of a greater Japanese demand for copper concentrates also helped but together it was not enough to initiate a switch from industrials to mining.

The other main support for the continuation of the bull market is the high level of domestic liquidity. While there

Over the \$200 hurdle

EVENTUALLY it had to happen. With the dollar wallowing in the wake of the yen, a general air of currency uncertainty and a strong industrial demand for gold, the price of bullion has at last gone above its end-1974 peak of \$197.50 per ounce to close yesterday at a best ever \$201.15.

Gold shares jumped for joy, but only to the extent that the Gold Mines index reached 183.4, its highest since 184.9 in June 1976 when the gold price was a modest \$125. Indeed, the index would not be as high as it is were it not for a recent period of comparative peace in the simmering South African political situation.

The 1974 advance in the bullion price was achieved at the expense of demand from the jewellers and other industrial consumers who were priced out of the market to a large extent. This time, however, the weakness of the dollar means that gold buyers using strong currencies such as the Deutschmark or the Swiss franc find that the dollar price of the commodity is not unduly expensive.

This point is stressed in the annual report this week of Anglo American Corporation of South Africa, a weighty 104-page document which befits a R5.6bn (£3.4bn) group with major interests in mining, industry and finance.

Furthermore, as the accompanying chart shows, the strength of industrial demand for gold is such that it can no longer be met out of western world production; if official sales—such as the eagerly snapped-up amounts offered at the International Monetary Fund auctions—were to dry up "the market would be seriously short of physical gold," says Anglo.

Meanwhile, South African gold mining earnings are on a rising tide as are those from uranium for the two-product mines. Unshackled by dividend limitation, the mines are now boosting their distributions and this process will continue while the gold price remains in the ascendancy. A currently strong gold share market feels that the boom is only starting.

So, too, do some of the chart followers. But all booms look as though they will last for ever and the greatest art in investment is knowing when to take

a profit. Perhaps the safest course is to take some profits on the way up, bearing in mind the fact that high gold prices do not remove the political threats that must overhang the South African share market.

But if profits are there to be taken, part of them can be left in to "take the ride." Few investors may decide to wait until the inevitable corrective market reaction occurs and then move in with an expendable proportion of investment funds. They might also consider the possibility of gold's strength spilling into the other precious metals, silver and platinum.

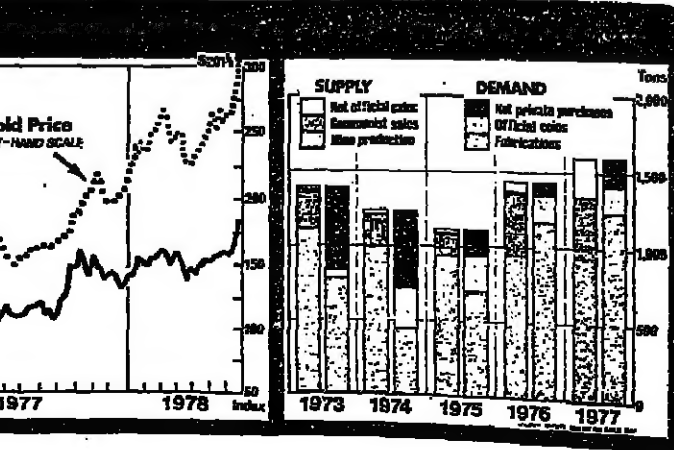
MINING

KENNETH MARSTON

Inevitably, half-yearly earnings figures being reported by those transatlantic natural resource companies with sizeable copper or zinc interests make a dull showing in line with the continuing depression in the respective metal markets. America's Texasgulf, for instance, has earned \$22.27m for the first half of this year compared with \$27.6m a year ago despite higher overall sales.

Then we have had the veteran U.S. Inspiration Consolidated Copper with a six months' loss of \$3.06m which goes against a profit of \$2.11m in the same period of 1977. Lower sales of copper have been made at reduced prices in this depressed market.

Anglo American, whose Hudson Bay Mining and Smelting and Minerals and Resources Corporation members have



GOLD

FT Gold Mines Index

RIGHT-HAND SCALE

Gold Price

LEFT-HAND SCALE

1976 1977 1978

SUPPLY

Demand only

Supply only

Forecast

1973 1974 1975 1976 1977 1978

DEMAND

Demand only

Supply only

Forecast

1973 1974 1975 1976 1977 1978

FINANCE AND THE FAMILY

Transfer of chattels

BY OUR LEGAL STAFF

Does the exemption of up to £2,000 a year of transfers free of capital transfer tax, apply to cash or to kind? If so can I transfer chattels to my children free of tax?

Capital transfer tax applies to anything which reduces the value of the donor's estate. We see no reason why you should not transfer valuable chattels free of tax, but you will have to make sure that the goods are "delivered" and in that case it is advisable to transfer by means of a deed. You will have to look into the insurance position, following the transfer.

Tax on transfer of a farm

My aunt owns a farm, which she wishes to give to my brother and myself. What please is the position with regard to capital transfer and capital gains tax?

There would appear to be a liability to both taxes. Capital transfer tax is based on the loss to the transferor's estate and on calculating this loss no account is taken of any capital gains tax payable and borne by him. Where the capital gains tax is borne by the transferee the value transferred is reduced by that tax.

Damage done by ivy

My new neighbour alleges that ivy growing from my side is damaging his wall, though according to something I read by your contributor, Mr. Hellyer, ivy does not damage buildings. What do you

think? If damage is caused, am I liable for what occurred before my neighbour took over the property, or before I bought my house some eight years ago?

We cannot say whether or not the ivy is damaging the wall. But, if it is, you would be liable for the damage even though the neighbour only recently purchased and even though the ivy was planted long ago. The damage arises from the tort of nuisance and it is no defence to an action in nuisance to say that the plaintiff came when the nuisance already existed. You would not be responsible for damage which could be proved to be more than six years old, but the continuous growth of a plant makes this extremely difficult to prove.

Limits to right of way

A farmer neighbour, who has a right of way across my land for all purposes, intends to develop a garden centre, to which the only access from the public

highway will be over this right of way. Can we stop this change in use?

You do not state what the former use of your neighbour's land was. If it was not used for the purpose of a business akin to that proposed, your neighbour will need to show an express grant in very wide terms indeed if he is to claim a right to accommodate the garden centre and he will not be so entitled if the right of way arose by prescription. You should consult a solicitor.

Using a party wall

My neighbour informs me that a left conversion he has commissioned will entail using the party-wall which divides our houses to assist the support of a steel joist and that I, at my own expense, should appoint a surveyor in order to satisfy myself that the work is competently carried out. Am I, in any way, responsible for the satisfactory performance of the work? What would be my

remedy if damage is caused to my property either during or subsequent to construction?

If you are outside the old Metropolitan London area, you are not obliged to take any part in the matter and the neighbour must himself assume the risk of any damage to your property. However, he cannot insert a joist into your half of the party wall without your consent. In Inner London the London Building Acts (Amendment) Act 1939 applies to give a right to the neighbour to use the party wall, but he may have to pay your surveyor's costs if a Party Wall Award directs (as it normally would).

A defective roof

I have discovered that the roof of the block offices built in 1965 into which I moved in 1976, is seriously defective. Have I any redress against the seller, if he knew of the defect? If I sell, am I obliged to tell the purchaser? Have I or the freeholder any

redress against the builder or architect?

If (as seems to be the case) you did not purchase from the builder or from the building owner you have no redress against the seller. If the defective roof is not within your demise you have no obligation in law to inform a purchaser. The freeholder might have some claim against the designer/builder, but it is likely that such a claim is statute barred. You have no such claim if your vendor was merely a leaseholder.

A change of airport

I live in Blackburn and booked a holiday tour abroad which started with a flight from Manchester airport. Shortly before the holiday was due to begin, I was informed that instead the flight would be from Luton. In the travel agent's office is an advertisement saying that all holiday flights by the tour operator concerned were guaranteed, but the operator declined to make any provision for the considerable extra distance and time involved. Have I any redress?

It is of course necessary to examine the terms of your contract, which may have reserved the right to change the point of departure of your flight. However, if there is no express provision to that effect the advertisement would constitute a representation that departure flights would not be altered and could thus enable you to claim for the cost of travel to Luton (less, probably, the cost of your travel to Manchester). However, we doubt if damages for loss of time could be recovered.

Acting in good faith

THE INSURANCE industry has always operated on the assumption that both parties were acting in utmost good faith. The contract is based on the assumption that the questions answered in the proposal form by the policyholder are correct, and that the insurance company pays out claims promptly and in full in accordance with the terms of the contract. Where difficulties in payment occur, invariably it is over these terms which are not understood by the policyholder nor explained by the insurance company.

These cases are only a small proportion of the total claims settled. But in relation to household contents policies, there are currently several disturbing rumours that certain insurance companies are using varying devices to avoid paying out claims in full.

The bugbear of household insurance is the problem of keeping sums insured up to date. Where the sum insured is inadequate, then the premium is also inadequate for the risks being covered. Consequently, premiums are not rising sufficiently fast to keep pace with the rise in amounts being paid out in claims. The UK household contents of insurance companies, once regarded as one of the most profitable accounts, has shown substantial losses in the past few years, one major reason being under-insurance.

The first reaction of the insurance companies has been to endeavour to persuade policyholders to keep their sums insured up to date. They have introduced index-linking as an automatic means of maintaining values, but index-linking is only as effective as the sum insured is correct at the start. Although this campaign by the companies has achieved a certain measure of success, it has by no means solved the problem. Far too many policies

still have sums insured that are totally inadequate and some companies have taken the campaign to get the correct sums insured several stages further. Some policyholders who have not accepted their offer to index link and have not altered the sum insured for some years presumably on the grounds that the policyholder will do something if only to stop the pestering. This may seem

Now companies are specifically adding in new contracts an averaging clause and making it clear to policyholders the consequences of underinsurance. Others are adding the clause in cases of underinsurance. Providing that such a clause exists and its consequences are pointed out, then there is some justification for these companies taking this line of action. Whether it would have passed the Unfair Contract Terms Act is debatable, but insurance is exempt from the provisions of this Act.

But there are rumours, that as yet the British Insurance Association cannot confirm or deny, that certain insurance companies are using averaging even though there is no specific clause in the policy. These companies are claimed to be falling back on the wording of the proposal form in which the policyholder signs a declaration that to his best knowledge and belief the sum insured represents the full value of the contents being insured. The insurance company then states that the contract is null and void and that legally it needs only to return the premiums paid. But to meet the loss it will make an ex-gratia payment—usually the averaged amount.

If this is the case then it is to be thoroughly deplored. All leading insurance companies contracted have been at pains to state that this is bad practice, that they would not do such a thing, and that they intend to continue paying claims in full up to the sum insured and have no intention of introducing an average clause. The BIA should make a statement on this subject. Meanwhile, policyholders could check with their insurance company or broker on the situation concerning their contract and avoid trouble by bringing the sum insured up-to-date. The companies themselves could do much more in this respect to guide policyholders, perhaps they now will.

MOTOR CARS

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No one loves a landlord

ALL OF US have, or have had, a love-hate relationship with our landlords. Owning property, and deriving an income from letting it, has never throughout history been the way to make friends although the great landed families certainly could and did influence people.

Nowadays it is a commonplace that landlords still deserve all the kicks they can be given, but that the ha-pence should be even fewer and further between. And many of those landlords would say that the unkindest kicks of all are those of the dreaded taxman.

Property taxation has an even longer history but taxmen recognised when income tax was first brought in that landowners were eminently suitable subjects. All those who owned land, whether they let it or occupied it themselves, were charged under the original Schedule A on the "profits" derived from ownership, while those whose land was not used for trading purposes were charged under Schedule B on the "profits" of this unprofitable occupation. This may be a surprising concept to those who are used to thinking of income

tax as a tax on income, and to thinking of income in terms of cash which comes in (net after expenses have gone out). "Profits" in the original enactments bore little relationship to our modern accounting

TAXATION

DAVID WAINMAN

measurements of the outcome of our trading operations.

Taxmen have a great sense of history. They are proud to be able to trace the original concepts of income tax through into today's legislation, and those taxpayers who would understand today's law would do well to find out how it originated. We must however not be cynical about our tax gathering historians: it is not true that they share the Bourbons' attributes of learning nothing and forgetting nothing.

They learnt, in fact, to accept a fundamental re-writing of property taxation 15 years ago—it is now again called

Schedule A, but is structurally very different from its predecessor. But the ghosts of the old law still haunt us.

Schedule A now taxes rents from land and buildings. It sweeps in at least some part of any premiums on the grant of leases (for periods up to 50 years), and also deems the landlord to have received something equivalent to a premium if his tenant is required under the lease to carry out works on the let property.

From that rental income may be deducted the costs of repairing insuring and managing the property, to the extent that those costs fall on the landlord, and there may also be deducted any rent which the lessor himself has to pay and amount of the local authority rates if he pays them. Depreciation is not recognised as an item warranting a deduction—except in the case of those buildings for which capital allowances have been specifically written into the law—industrial buildings, agricultural and forestry buildings and works, and very recently, hotels.

Complementing the absence of any allowances for depreciation is a specific prohibition

against deducting the cost of improvements. This is drawn in the ancient uncompromising terms—an improvement includes any work which put the item concerned into a better state of repair than it was in when acquired. This distinction between repairs which are repairs, and those which are improvements, was accepted by the Courts in 1922 when they decided that the Law Shipping Company should not deduct the cost of repairs to a ship, as the ship was a state of seaworthiness acceptable to Lloyd's, after the years in which regular surveys had had to be postponed because of the war.

Law Shipping was for many years the leading case distinguishing repairs from improvements. It was not fought in reference to land and buildings assessable under Schedule A, but to an asset used for trading purposes. The deduction was claimed, and was held not to be available, under the rules which quantify trading profits—the rules known as Schedule D. These last mentioned rules are closely inter-connected with accounting methods of arriving at profits, and as accounting

develops they change in a responsive way. Thus, the "deferred repairs" prohibition has, so far as traders are concerned, been largely removed by the Courts in the more recent Odeon Theatres case.

But the ghost-ship Duns Law still sails around Schedule A. And it is not the only ghost. The tax charge in its original form applied whether or not rent was received. This concept has been quickly preserved, in a provision requiring the landlord to pay tax on rents which he does not receive. His only escape is to show either that he had to forgo rent in order to avoid hardship for the tenant, or that the tenant defaulted and all the reasonable steps taken by the landlord failed to elicit payment.

Landlords who let their land and also provide services to the tenant have always been assessable additionally on those services. It is here that many landlords feel that the Revenue are being unduly harsh. Substantial property owners will have their service activities recognised as a trade; the deductibility of expenses before profits are arrived at will be reasonably generous, and those profits themselves are earned income. Not so for small landlords. The letting of furnished accommodation is regarded as comprising the "service" of supply-

A licence to collect deposits

Official control of banks and other deposit takers will be strengthened and extended under planned legislation.

FROM THE point of view of the general public, the most important part of the proposed banking legislation published in draft form this week is the plan for a deposit protection fund. This will give the small saver a guarantee that if he puts his money with an institution which later goes bust, he will at least get back three-quarters of the first £10,000 of any deposit.

The fund proposal, put into the Bill against the opposition of the big banks, is a reflection of the recent experience of the UK during the fringe banking crisis of 1973-74. Because the Bank of England was able to rally the big banks round to provide support for the institutions hit during that traumatic period, depositors in fact did not lose their money. But there can be no guarantee that such an ad hoc arrangement could be repeated in future if a small deposit-taking institution got into trouble.

The amount of the protection has, however, been limited to 75 per cent. The reason for this is to ensure that some incentive is retained for the individual to exercise his judgment in deciding where to put his money.

If he is tempted by a higher interest rate offered by an institution which is of less than first rank, then he has to accept at least some risk. At the same time, however, the establishment of the fund will provide a final safety net to catch the victims of any institution which slips through the extended sys-

tem of official supervision which will be set up by the legislation. Though this will have less direct impact on the individual, it is the more important part of the draft Bill. The new system is needed in any case to enable the UK to meet its

BANKING

MICHAEL BLANDEN

obligations under the EEC directives on the harmonisation of banking regulations. It will also complete the process of tidying up the mess exposed by the fringe banking crisis.

There is no doubt that one of the elements which contributed to that problem was the widespread confusion in the mind of the public over the significance of the various forms of recognition given to banks. Some of these applied only for very limited purposes, and did not signify that the institutions concerned were subjected to rigorous supervision by the Bank of England. Yet they were able to advertise themselves as offering a banking service with all that implied for public confidence.

That will now finally be stopped. At the same time, the most significant innovation in the Bill is that it will introduce for the first time in the UK a comprehensive system of licensing for all deposit-taking

institutions under the control and supervision of the Bank. The system will have two tiers, the recognised banks and the licensed deposit-taking institutions. At the top will come the recognised banks. These institutions will include for certain all the leading banks—probably totalling around 270—though there are certain grey areas.

They will be subject to similar type of supervision to that now applied by the Bank. Involving regular returns of their figures and discussions with Bank officials. They will be exempted from the licensing provisions which will apply to the rest, and with a few special exceptions such as the trustee savings banks and the renamed National Girobank will be the only ones allowed to use the name bank and its derivatives.

Other institutions which take deposits will be required to gain a licence from the Bank and will be subject to a more formal kind of supervision. This measure will considerably extend the Bank's writ. Already in the wake of the fringe bank crisis, the Bank has substantially increased its supervisory staff and widened its coverage to take in on a more or less voluntary basis some of the institutions which would not historically have been regarded as full banks.

There is some uncertainty about just how many institutions will eventually come forward for licences. Some may drop out because they are unable to meet

the requirements to qualify for a licence, which include few new entrants a minimum asset level. Out of the substantial number of small deposit-taking institutions which at present operate around the country, the best guess is that there could eventually be around 200 to 300 which will qualify for licences.

The Bank's extended supervisory role should provide the best protection against any repetition of widespread collapse among deposit-taking institutions. While it will have statutory backing for its supervisory function, however, the Bank has succeeded in retaining a good deal of flexibility in the way in which it will exercise its new powers.

The proposed legislation contains only minimal figures among the requirements to qualify for a licence or for recognition as a bank. It avoids setting out detailed ratios of capital and liquidity on the lines common in many continental countries.

It allows the Bank scope for subjective judgment and for taking the views of the rest of the City into account in determining the appropriate status of an institution. And it enables the Bank to keep the main features of its traditional approach to supervision on which it has laid great emphasis—progressive, participative and personal. It is a style of regulation which has been aptly described as "vicarious participation in management."

From the point of view of the

YOUR SAVINGS AND INVESTMENTS



In hazard

"HE FLIES through the air with the greatest of ease." But however much we admire the daredevil antics of the trapezist when we take our children to the circus, the life insurance companies may well take a different view when he applies for life assurance. In all probability they will say that, no matter how experienced he is, his job carries an extra mortality risk, and charge him extra on a life assurance contract. That might be an extra £2 per £1,000 assured—or the guaranteed minimum death cover.

North Sea oil development is likely to do wonders for the UK economy. But the men who make that development possible are not viewed favourably by the life companies. They are being charged very heavy extra premiums on life assurance contracts, varying from £3 per

ASSURANCE

ERIC SHORT

£1,000 assured for supervisors, to over £10 extra per £1,000 assured for divers.

The charge made by life companies for death cover is based on normal mortality rates. It is the task of the underwriter to make the appropriate loading to the premium rates, in cases where he thinks the mortality risk is well above average. Certain occupations are considered to carry an extra risk, notably those in which the individual climbs off the ground or disappears underneath it. Individuals such as steeplejacks, tree fellers and surgeons, and demolition workers come into the first category, and miners into the second.

But many life insurance contracts these days are taken out for savings purposes only. The death cover is simply provided to ensure that the policy qualifies for tax relief. Nevertheless, someone in a hazardous occupation will get a lower return for his outlay than those of us who are reasonably fit and keep our feet firmly on the ground. The table shows the effect on the ultimate return from a with-profit endowment policy issued by a leading life assurance company, to people in two hazardous occupations—a face worker in a coal mine, whose additional premium (given that he is not handling explosives) is small, but significant, and a North Sea diver, whose rating is severe. There is a definite penalty for such people when they use life assurance as a way of saving.

Estimated benefits on a with-profits contract for a man aged 29. Monthly premium £20.			
	Period 10 years	Period 25 years	
	Sum assured	Sum assured	Reduction %
Normal occupation	2,164	3,753	
Miner on coalface (a)	2,125	3,685	1.8
North Sea diver (b)	1,981	3,435	8.5
Normal occupation	5,730	17,422	
Miner on coalface (a)	5,462	16,408	4.7
North Sea diver (b)	4,403	13,995	19.7

Figures supplied by Equitable Life based on current bonus rates.

(a) Extra premium for occupation at the rate of £2 per £1,000 sum assured.

(b) Extra premium for occupation at the rate of £10 per £1,000 sum assured.

Standard Life opts out

MUTUAL LIFE assurance companies belong to and are run for the benefit of the with-profit policyholders. At least, that is the theory behind the mutual concept. In practice it means that the boards are self-perpetuating and can operate with a freedom from scrutiny that proprietary companies could never hope for from their shareholders. But the evidence—high bonus declarations—suggests that by and large this freedom is not abused, that the activities of the company are conducted to the benefit of policyholders. This week, however, we saw exceptional evidence of responsibility from the Board of Standard Life, the largest mutual life company in the EEC.

Standard Life has decided that, although its Canadian business has been flourishing, there was a distinct risk that business operations in that country could become much more onerous and therefore more expensive. It foresees a possibility that Canadian business might have

to be subsidised by UK policyholders, to the detriment of their bonus rates. At present the company is among the very top of with-profits performance over the longer term, and it needs to stay there if it wishes to grow in the UK.

So when Manufacturers Life made an offer to take over the Canadian business, the Board of Standard Life accepted. Manufacturers Life is making direct payment for the business as such, but Standard is only handing over £31.5bn of its assets in Canada to cover the liabilities, and intends to keep £200m of the free reserves for the benefit of its UK policyholders. This represents a fair return on the £30m invested 20 years ago. If the company had waited for the situation to worsen, it might well have had to pay to get rid of the business.

Standard will however have to change the heading on its note paper. It is not the largest mutual in the EEC any longer.

Worldly wisdom for the factotum

RATHER LIKE the barber of Seville, insurance brokers are turning out to be—in the financial sphere at any rate—all things to all men. And it's not difficult to see why. They are far more accessible than the average stockbroker; far less intimidating than the average solicitor or accountant. There's no need to fear, in visiting an insurance broker, that you will be shown the door because you have less than £5,000 to your name; there's no need to fear, either, that the bills will affect the housekeeping for months to come. Small wonder that the average consumer welcomed with open arms and secure in the knowledge that there won't be a hefty price to pay for this enthusiasm, neglects to ask himself the vital question: does this man know what he is doing?

In many cases that doesn't matter: the answer will be yes. But it is an unfortunate consequence of their accessibility, occasionally asked to do things for which they have neither the training nor the experience. Notably they can be asked—and to an increasing extent they are being asked—to provide investment advice. Granted that it's only the horrors that float to the surface, the results can be disastrous.

Robin Boyle has seen some comfortable salary, and in no time since he started Hoare Govett's Unit Trust Advisory Service six months ago. He tells one story of an unnamed client who inherited £27,500 in 1972, went along to his friendly insurance broker to ask what he should do with it, and was advised to put the whole lot into a property bond. And the dreadful part to that story is not that it was done, but that it's so easy to see why it was done. The property bond in question had, after all, been

INVESTMENT

ADRIENNE GLEESON

one of the very best performers for the whole of the preceding five years.

There are two reasons to fear the consequences when insurance brokers set out to give investment advice. The first is the more obvious and the less worrying: it is that it is both more convenient, and more lucrative, for a broker to put his client into some form of bond than it is for him to sort out an alternative—a portfolio of unit trusts, for instance. And the fact that the investor might—like Robin Boyle's client—be in his 40s, gainfully employed at a

need of the withdrawal facilities, is not necessarily going to weigh sufficiently heavy in the balance.

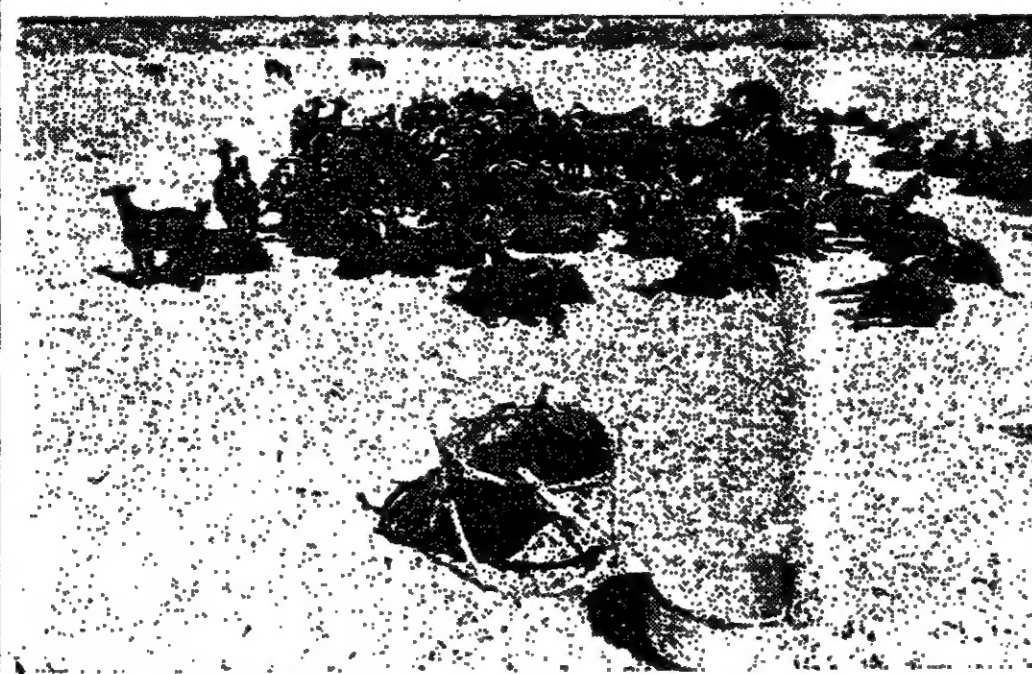
But with any reputable broker it will. He is, after all, likely to be on the "white list" of the Unit Trust Association, and therefore eligible for the marketing allowance which brings the commission on unit trusts to within half a per cent of that available, under the Life Offices Association's guidelines, from the life assurance companies. What is far more worrying, with such a broker, is that he is likely to approach the whole question of investment in a spirit of undue innocence.

This is not a problem to be solved by requiring that the broker who would give investment advice should have some form of academic expertise. Investment is not an exact science, and attempts to capture its essence for examination purposes have proved a pretty dismal failure. As any stockbroker will tell you, the content of the examinations of the Stock Exchange itself are a long way short of day-to-day reality. Requiring a certain degree of experience is, however, a different matter.

Providing advice through one cycle of the Stock Exchange, from boom to bust, ought to be enough to cure anyone of

the optimism which experience of the first phase is all too likely to induce. So it seems reasonable to propose that no-one should give investment advice on his own responsibility, until he has been in the business of providing that advice under supervision, for at least five years. The period in fact lies in well with the British Insurance Brokers' Association's own recommendation, that those of its members who have not taken professional examinations should have at least five years' practical experience behind them. Investment experience will not, of course, necessarily qualify your insurance broker to make your fortune for you—but it should curb that unbridled enthusiasm which might induce him to lose it.

It has to be said that acquiring such investment experience is going to be expensive—if, at least, it is to be done properly. Some brokers may be able to buy in the expertise they require, as Towry Law has decided to do. Most small brokers, however, will not be able to afford the extra overheads. The conclusion to be drawn is that they should not give investment advice. Because the alternative is that they educate themselves at the expense of their clients.



Advisors to expatriates

Beasts on the hoof, like those in the picture above, were at one point the principal form of wealth in the less-developed nations of the Middle East. Nowadays—particularly in the Middle East, where this picture was taken—wealth is quite as likely to mean the ownership of a flat in London or of a fleet of Mercedes. For the expatriate working in this or other parts of the world, it's likely to mean a cash flow very much higher than that to which he (or she) has been accustomed.

But with that affluence will come perplexities, quite possibly dire problems, in respect of tax, of foreign exchange regulations, of housing, schooling, pension rights, investment, and insurance. A young man with no dependents might be able to shelve the lot—though at the risk that the lot, compounded by time and inattention, would be waiting for him once he again set foot on British shores. Anyone else would be well advised to tackle them as they arise; and even better advised to tackle them beforehand.

TOWRY LAW, the big UK insurance brokers, set up in the Channel Islands this week, in order to provide a service specifically directed at the needs of the "significant" number of its clients who have decided to live and/or work abroad. Such clients are, in the brokers' experience, most likely to require advice on investment of the savings now piling up in bank deposits, or on the deployment of capital sums but in addition Towry Law (Channel Islands) will cope with basic questions on the mechanics of things like renting out UK accommodation, and providing for school fees.

If you need advice on establishing or unwinding overseas trusts—or if you need specifics out of the brokers' normal field of operations, like a will—then there will be normal legal charges to be met. Otherwise the brokers reckon to make their money out of commission.

The way they operate is simple enough: you get a questionnaire to fill in, which establishes your particular circumstances. Towry Law sorts out your requirements, and after that it's up to you to get in touch if matters change. However, be warned: Towry Law don't pretend to be investment experts, and they certainly won't make your decisions for you. If you are a complete tyro, and want your hand held through manoeuvres more complex than the purchase (or sale) of offshore funds, you will have to look for advice elsewhere—and pay more for it.

Godwins, the pensions and employees' benefits consultancy arm of the former Leslie and Godwin, tends to tackle the problem of the expatriate from the other end—that is, through the employer. Godwins sets out to establish, for any employer sending people

Only who is going to provide him with assistance in doing so? Chances are, if he is already on location when the problems start to occur, that there will be no shortage of would-be helpers with a welter of more or less ingenious—and more or less expensive—solutions to propose. Talk to anyone who does business with expatriates now, and they will tell you there is no shortage of "cowboys" on the ground. The more reason, then, to establish a connection with someone with a reputation to defend, and preferably before you bid this green and pleasant land farewell.

With this in mind we have taken a look at the services offered, and the charges made, by a handful of institutions which serve the financial needs of the overseas resident. It should be stressed that these are not the only respectable companies in the field: all the big clearing banks, for example, claim to be able to serve the needs of expatriates through their trust departments. But this is a reasonably representative selection, which will give you an idea of who to go to for what—and how much it is likely to cost you.

On investment," he says: "I always treat the guy's money as though it were my own."

Some 60 per cent of his clients come to him at the recommendation—and the expense—of their employers: the rest as individuals. The initial interview is free, but if you get taken on as a client you will thereafter pay £100 a year—plus, of course, the hidden element in commissions on life assurance or other forms of investment.

Like Towry Law, Godwins doesn't pretend to provide more than basic straightforward investment advice; and if you are in dispute with the Revenue and need an accountant, or enmeshed in foreign exchange problems or short of a will, the firm will send you off to the relevant experts. "We pinpoint the areas you should look at," says Peter Wilson, the director in charge of personal financial services.

Ideally Godwins likes half an hour with the client before he goes abroad, but it can and will accept business at long distance. Expatriate Financial Advisors like rather more than half an hour with the client himself; they like, according to managing director Harry Brown, an interview with his wife as well. Not that Mr. Brown declines to provide the usual run of his services—advice on tax, foreign exchange, lease of a UK home, education of children, life insurance—to those clients who have not had an interview, but "I will not counsel on investment a guy whom I have not met," he says.

He works on the principal that the protection element of life insurance should be provided in sterling, but that this apart savings contracts should be in another and stronger currency. He asks for, and almost invariably receives, discretion from the management of his clients' investments, arguing that most expatriates will be too cut off from financial markets to be able to make the decisions required as fast as they should; but "I'm immensely conserva-

Wives leave as they please

THE RECENT major pieces of legislation on sex discrimination and equal opportunity were designed to ensure that women are treated exactly the same as men in almost all respects. But the legislators have fallen down because they failed to go through previous legislation to remove existing cases of very blatant discrimination, against married women in particular. This week the Scottish Law Commission highlighted a particular case arising from the Married Women's Policies of Assurance (Scotland) Act 1880, concerning married women in that country who want to take out life assurance contracts.

Under this Act husbands can take out policies for the benefit of their wives and children. By taking out a policy, they automatically create a trust, and the proceeds of the policy thus form a separate estate. This convoluted procedure was designed to ensure that the dependents of the husband had financial assets which could not be seized by the husband's creditors, so it's a hangover from real Victorian melodrama. But a wife cannot take out a policy and nominate her beneficiaries. The assumption, when the Act was made, was that the wife's property automatically passed to the husband.

The corresponding Act for England and Wales—the Married Women's Property Act 1882—does not so discriminate against married women. In fact it could be regarded as one of the first pieces of legislation to allow married women to hold property in their own name.

The Scottish Law Commission wants to end this difference in the legislation, and also to extend the terms of the Scottish Act so that it applies to all men and women, and so that the beneficiaries can be future husbands or wives, illegitimate children or even grandchildren. However, the drawbacks highlighted by the report of the Commission are more apparent than real, as far as the life assurance industry is concerned. It has learnt to live with the law in transacting its business. If a married woman in Scotland wants her husband, or children, or grandchildren or anyone else to benefit from the proceeds of a life policy taken out in her name, then it is a comparatively straightforward matter to arrange, under the English legislation.

The Revenue discriminate

BUT THERE is one area of potential discrimination in life assurance against married women, and that lies in the limits on tax relief. Tax relief can be claimed on premiums on regular payments contracts, up to one-sixth of income or £1,500, whichever is the greater. But where husband and wife are concerned these limits apply jointly, even if the wife is assessed separately for tax purposes. This means that, where husband and wife have taken out separate life policies, the maximum limit is one-sixth of combined income or £1,500 for the two of them. This is discriminatory: the limits should be £1,500 on each life.

Now that the Treasury is investigating the whole tax situation of married women, the LIA should remind it of this anomaly. It should not be overlooked.

How the experts have performed

"INVEST in a managed fund and leave all decisions to the professionals." This was, and still is, the message given by life companies to investors seeking to use life bonds as investment vehicles. Their argument is that the companies are staffed by full-time investment experts who can decide on the best portfolio mix of equities, both UK and overseas, property, fixed-interest investment, and cash. But above all, they say, they will use their professional judgment to decide when to change the mix and by how much, so as to maximise the

BONDS

ERIC SHORT

profit and minimise the losses arising from market fluctuations. Traditional life companies have been doing this for decades with their life funds. But the concept of a mixed fund was presented, about seven years ago, as the brand new answer to an investor's prayer.

Well, enough time has elapsed to make a considered judgment on the claims made then. This month's issue of Money Management* has a comprehensive article that does just that. And its findings are not very flattering to the majority of fund managers. Its main conclusion is that many funds are hardly being managed at all.

The main accusation made in the article is that many funds alter the mix of their funds merely by channelling the new money for investment in the direction desired. This is a slow and uncertain means of changing the emphasis of the fund. And by the time the change has been made, another mix might well be very much more appropriate.

Putting new money into different investments might be acceptable strategy for pension funds, which need not realise their investments, but it is not appropriate policy for a managed fund where changes in portfolio mix have to be quick in order to benefit investors. If a fund's managers decide that the market is about to enter a bear phase, then they should become highly liquid as soon as possible. This is not easy, how-

ever, with a big fund; and some of the managed funds are now big (Hamro Life is about £200m). But one has the feeling that managers don't act being late to get back into equities when the market takes off again, as many managers were in 1975.

The article also points out that, while a property holding is essential for any fund, it should not be too large. It is difficult to expand or trim such holdings quickly, and they have to be held for their long term prospects.

The tables to Money Management's article give very comprehensive details of fund composition and size, together with performance over the past three years. Details on the proportion of assets held in each sector are invaluable; but, without wishing to be churlish, the exercise would have been more valuable

MANAGED FUNDS PERFORMANCE	
Value of an investment of £1,000 made three years ago	Value £
Top funds	
Irish Life Managed	1,775
Norwich Union Managed	1,773
Royal Shield Managed	1,508
Vanbrugh Managed	1,508
Schroder Managed	1,489
Bottom funds	
AMEV Managed	1,161
Trident Managed	1,120
Oaklife Managed	1,076
Canterbury Managed	1,019
Property, Equity and Life	1,003

still if the change over the past year had been shown.

As to the conclusion: it is essential in choosing a fund, to ascertain the investment philosophy. This can be done by studying past performance and reading current circulars from the companies—which is really a job for the professional adviser. We show, above, the best and worst performers over the past three years. It is interesting to note that the best are from traditional life companies.

Vanbrugh is a member of the Prudential group, which have kept extremely quiet about their achievements.

*Money Management is obtainable by applying direct to Fundex Limited, Freeport, London EC4B 4QJ.

From persuasion to a scene in store

CAVEAT EMPTOR was for centuries the maximum that applied to most sales. To some extent it still is, especially as the law regarding misrepresentation applies only to statements that are made, and not to the failure to disclose defects. However, where goods are sold in the course of a business (probably the most important type of transaction to the average consumer), this maxim holds less sway than it used to do, and the buyer has been given certain

woefully ignorant of the duties they have towards their customers.

A common example of this is the shopkeeper who genuinely believes that complaints should be taken up with the manufacturer. This is not so. The ground for complaint is a contractual one particular to the buyer and seller. Even though this might set up a chain reaction, and found a claim between the seller and the manufacturer, the chain cannot be short circuited. It is the seller who is ultimately responsible to the consumer.

Many shops will readily replace defective goods, to ensure that they maintain the goodwill of their clients. However, this is not a remedy recognised by the law, and the buyer cannot insist on it. He (or she) can, however, insist on money to compensate for the fault, or losses incurred because of it, or money back and the right to refuse or return the goods.

There are many ways of trying to enforce one's rights, from friendly persuasion to creating a scene in the shop, or threatening to write to newspapers or to the consumer programmes on radio or television. All have been known to work. Another tried and tested method in the case of large companies is to write to the managing director, explaining the difficulty. "Going to the top," like this, can often produce a volte face of spectacular quality from what was the most recalcitrant of shop managers.

If all else fails—and remember to keep copies of any correspondence—then the law is always there as a last resort. Until recently, because of high legal costs (which will not be reimbursed in a small action even if it is successful), it was very rarely worth while to go to court over the average consumer dispute. To bridge the large gap between rights and remedies, the courts have been simplified so that ordinary people can bring small claims without legal knowledge or the use of lawyers.

Each county court has an office where inquiries can be made, and the staff are experienced and helpful in assisting with the various formalities that have to be gone through, from issuing a summons to obtaining judgement. For a small fee the bailiff of the court will serve the summons, or—if the defendant is a company—it can be sent by post. A summons in itself can often work wonders,

CONSUMERS' RIGHTS

HELEN WHITFORD

basic rights. The most important of these are that the goods be of merchantable quality, be fit for the purpose for which they are intended, and correspond with their description—for example, that they be of the colour specified. Goods are "of merchantable quality" if they are as fit for the purpose for which such goods are commonly bought, as is reasonable to expect in all the circumstances of the sale—having regard to the description, for example, and the price.

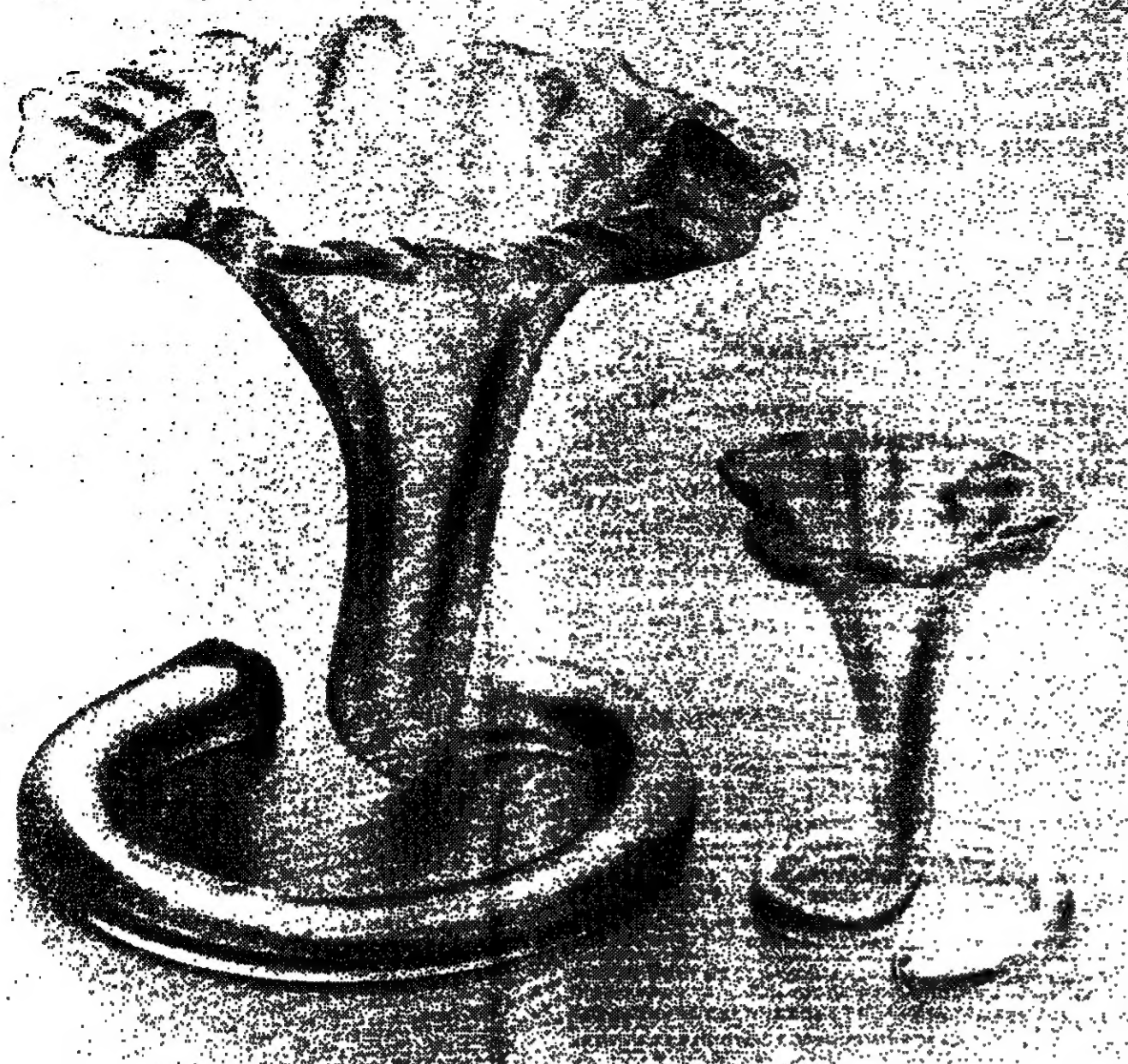
This protection will not apply, however, where a defect has been brought to the buyer's attention or he has made an examination of the goods which should have revealed it.

Where the buyer makes known to the seller a particular purpose for which he wants the goods, there is an implied term that the goods will be fit for the purpose specified. This protection applies, too, where the purpose is obvious—for example, that shoes should be fit for walking. These rights cannot be modified by the seller in a consumer sale, and any exclusion clause purporting to modify them will be void.

Right without might is now the main problem facing the aggrieved purchaser. Although there will generally be no use of lawyers, a reputable dealer with a genuine complaint, this unfortunately, is not always the case. Some unscrupulous shopkeepers, knowing that the law is slow, expensive and rather frightening to the average customer, will not comply with their legal obligations because they can be relatively certain that they will not be enforced. And other shopkeepers are themselves

HOW TO SPEND IT

by Lucia van der Post



Gifts from Afar

GRAHAM & GREENE is one of those pretty shops full of such charming things that one hardly dare go near it too often for fear of over-spending. It sells mainly a range of furniture and furnishing accessories, all of which would add a great deal of charm to any home. Cane is one of its great specialties but there is also plenty of pretty second-hand china, basketware and kitchenware. In the three years since they've been going they've established quite a reputation for attractive, well-made, good value bargains. It's like an Aladdin's cave of a shop, a little bit higgledy piggledy—like a bazaar—so that the more you look the more you find.

Graham & Green has been at 7, Edgin Crescent, London, W11 for some time now and has had such a success with this

look that last week it opened a new shop over the road calling it—Over The Road.

Part of the reason they opened Over The Road (at No. 4) is because they kept finding lovely things on their travels that were just a bit expensive or too luxurious to fit into the Graham & Greene image. All the stock is hand-chosen and old and new are mixed together in a delightful way. There are flowered tapestry cushions from Greece, hand-painted glasses and glass bowls from Sweden, hand-carved mirror frames from Bali, as well as a wonderfully erotic tea-set from England and lacquer-ware from China. The whole look is softer and more luxurious.

It's just the sort of shop that will make an ideal stopping-off place for unusual presents of all sorts. I particularly like their



Some of the most unusual of the wares to be found at Over The Road, is this collection of Italian satin-finished glassware. Strongly reminiscent of the 1920s, with a very Lalique-like air, the collection is made from moulds based on those of the 1920s, and seem to me to offer a richer, more decorative alternative to the starker, more Scandinavian-type glasses most smart shops sell. Far left are two stunning *Convolutus* cases. They come in four different sizes, in pink, white or lilac. Photographed is the largest size, 9" high (£12.99) and the second smallest 5" high (£4.99). Near left and above are two glasses from the same company, part of the *Hibiscus* range. Left is a coupe glass and right a water-glass. Both are £3.99 each. There are several other glasses in the range at similar prices.

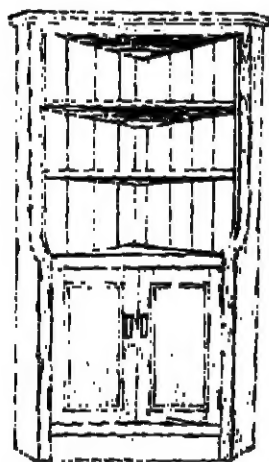
Photography: James Blayney

glass which is wonderfully rich "well-designed" glass that has been de rigueur on all the best change from the orthodox dinner-tables for so long.

Country Charm

UNLESS you are lucky enough to have some friends who have a piece of Grahame Amey's furniture you won't be able to see it unless you are prepared to make the trip to a converted 15th century malhouse in the depths of Powys. But if you happen to want or need a piece of wood, solid, hand-made, a beautifully finished furniture what could be better than a summer trip to the beautiful area that makes up the Brecon Beacons National Park?

Grahame Amey started the workshop some 10 years ago but he fell into furniture making rather by chance. He had a degree in history which didn't seem to prevent him with many

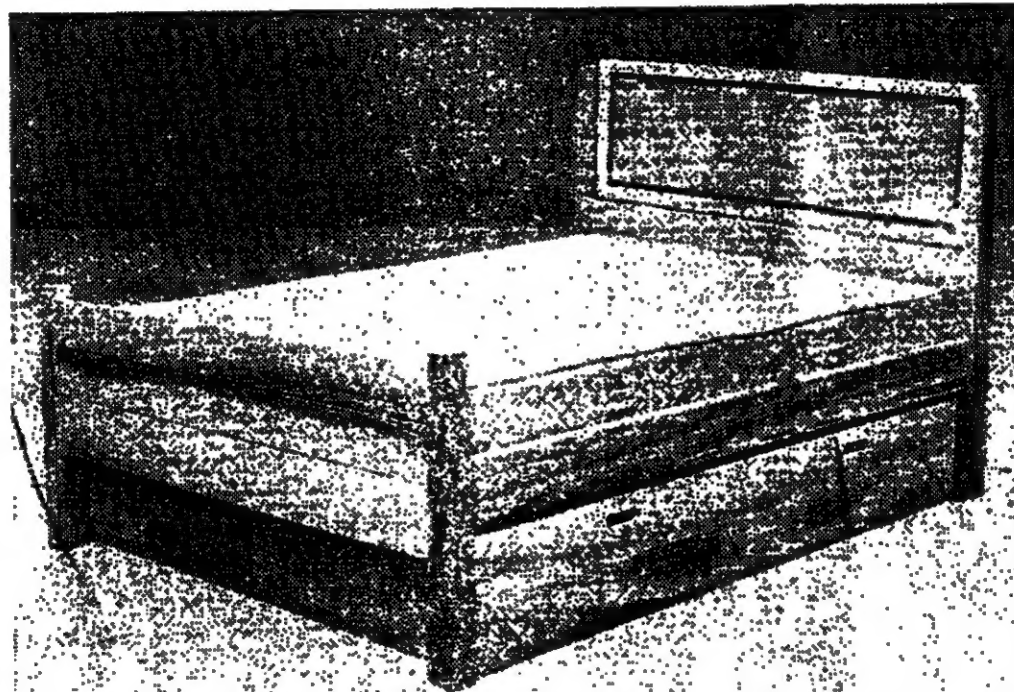


A simple country corner cupboard, typical of Grahame Amey's designs. £397 in ash

career opportunities so after working on a farm, doing a little archaeology and saving up some money working in Libya, he went to work in a sawmill while trying to get a job with the Forestry Commission. By the time he'd discovered that that wouldn't work out he'd grown to love timber and living in a peaceful and beautiful part of the country.

He used the money he'd saved in Libya to open a small workshop. The original idea was to make simple furniture in the tradition of country furniture-makers of the kind that used to exist up and down the country, but of whom few are left. He wanted to do it all by hand but in the event found that that was impossible, because it took so long that the cost of production put the ownership of a piece of furniture outside the sort of sums that most people could or would pay.

However, the workshop still uses only solid wood. Grahame Amey does most of the designing himself but each piece or group of furniture is made by just one man who has charge of it from beginning to end and signs it with his own name. The photograph illustrates perfectly the kind of furniture that he does—it is not elaborate. All of it is honest and solid and it is designed to stand the test of time. "I think we have proved that it does," says Grahame Amey modestly, "because the same people keep coming back to us for more pieces and quite often if their



This bed in ash has optional blanket boxes on castors underneath and is £549

home circumstances change we are able to take their original furniture back and sell it for more than they paid for it in the first place.

They pride themselves on taking as much trouble over the parts that aren't normally seen as with the outward appearance. Cupboard units are backed in solid timber and are fixed with proper brass screws. The woods used are mainly ash or oak but if there is some wood you would specifically like then they will be happy to quote.

Most of their furniture is done to order but orders take only about four weeks—less time than one often has to wait for delivery of a factory-produced piece from a big store. If prices seem high, remember that the wood is solid which involves not only a higher cost for the material but entails more labour. Grahame Amey also prides himself on the fact that he pays his craftsmen a proper wage.

The sort of furniture he mainly makes are tables (there's a particularly nice stained oak refectory table, large enough to seat a proper family), chairs, benches, coffee tables, Welsh

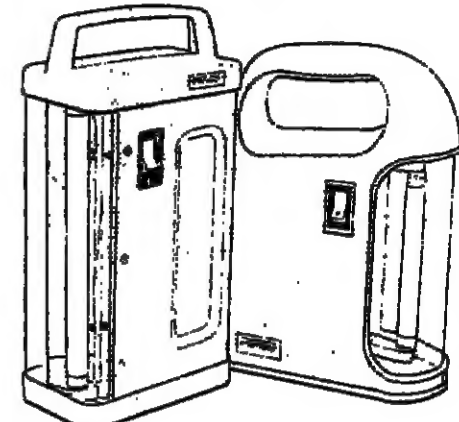
dressers, corner cupboards, bookcases—in other words, simple, country furniture.

If you can't get to Wales to see the workshops then they are happy to discuss details on the telephone and by letter. There is a leaflet with clear sketches of most of their basic lines which they will send to readers. Otherwise the workshops are open from Monday to Friday from 8 am to 5 pm and on Saturdays from 9 am to 4 pm. The full address is The Granary, Standard Street, Crickhowell, Powys (telephone: Crickhowell 810540).

Light on a dark subject

ANYBODY GOING camping this summer or perhaps holidaying in a remote cottage far from electric light sources, or even those travelling long distances by car, may have need of some strong, independent light source. The only occasion on which I ever went camping I found the main requirement of a light was that one should be able to stand it firmly on the ground or table and this meant that any hand-held torch was quite useless. These two fluorescent lights from Plifco seem just the thing.

Both the lights use fluorescent



tubes—the one on the left, Jupiter, has a nine-inch six Watt tube using two P1000 batteries (and is £11.50), while the one on the right, Saturn, has a six-inch 4 Watt tube and uses eight SP2 batteries (and costs £10.50). Both of them could also work using a 12V car battery.

Pick your Own

VARIOUS members of my family have been fruit picking in these past couple of weeks. My daughter, just back from staying with friends in Sussex, tells me that it's becoming quite a smart pastime in rural areas. We decided to go strawberry picking on Sunday and found ourselves justifying beside a large Rolls-Royce ("Quick," said my husband, "they'll have a freezer the size of our drawing-room, so we'd better not get behind them").

We found the fruit amazingly quick and easy to pick and now

have 17 lb of strawberry jam, a freezer full of strawberry puree ready for ice-creams or sorbets and we and some friends consumed several pounds of fresh strawberries on Sunday and Monday night. So, yes, my verdict is that "picking your own" is well worth it.

If you want to know where to go and when, Home and Freezer Digest has just published what must be the definitive guide to the farms that offer fruit or vegetables at lower prices if you do the picking. They're all listed by county and beside each farm it states what crops they grow, when the season is, as

well as the address and phone number so that you can check personally that it is worth the journey.

While at the moment soft fruits are the most popular for picking, there are other things like boysenberries, pumpkins, courgettes, broad beans and sweetcorn, all of which you can pick in bulk and then freeze, thus saving a great deal of money and building up a pool of foods to be used in emergencies or when fresh fruits and vegetables are scarce.

The booklet is called "Pick Your Own" and is on sale now for 80p at most newsagents.

One worth remembering

VICTORY in under 20 moves against one of the world's leading players is guaranteed to go down in the annals of international chess. The "classic" recent match was the 21st game of the 1974 Karpov v. Korchnoi match, where Karpov was caught in his own prepared homework.

What happened was an example of the dangers of too many assistants. The opening occurred several times earlier in the match, and Karpov's advisers, Furman and Geller, advised some new ideas for back. What they recommended was a huge tactical hole which Karpov only closed as he made his fatal eighth move.

Korchnoi, in his book "Chess My Life" (Batsford) recounts the incident with relish and notes: "I remember what a mental glance Karpov threw at me before he resigned. It was as if after this game he gave himself a huge mental boost. He appeared in this feature in 1974, at the time when I was topically relevant. White: V. Korchnoi. Black: A. Furman. Opening: Queen's Pawn Defence (21st match time 1974).

CHESS

LEONARD BARDEN

The opening moves were 1 P-Q4, N-KB3; 2 N-KB3, P-K3; 3 P-KN3, P-QN3; 4 B-C2, B-N2; 5 P-B4, B-K2; 6 N-B3, Q-Q2; 7 Q-B2, P-B4; 8 P-Q5, P-P; 9 N-KN5, N-B3.

Korchnoi prefers N-R3, to delay White occupying the out-post square Q5 with a minor piece.

10 N-QP, P-N3; 11 Q-Q2, N-N3; 12 N-N3, R-K1. When White keeps a slight edge by 12 N-N3, B-N4; 13 N-K4.

13 B-N, R-N1? (disastrous, though White's bishop pair are very strong in the ending after 12... B-N4; 13 N-RP; R-K1.

14 Q-R6, N-K4; 15 N-N5, B-N; 16 Q-B3, Q-B; 17 Q-Q, B-B; 18 Q-Q. Before making this move, Korchnoi asked the controller whether it was legal for him to castle with the rook attacked. That a world title contender can admit to such a doubt on the rules makes more credible the incident in an Australian tournament when Averbakh, also a Russian grandmaster, protested when his opponent castled queen's side with the rook moving across an attacked square. The rules of chess regard castling as essentially a king move, hence both these operations are quite legal.

18... B-P; 19 P-B4, Resigns.

The recent Nikshich tournament in Yugoslavia was the occasion for another miniature where the victim was a "super-master" ranked in the world top dozen. Black plays the opening horribly but instructively. White's "arozzy Bind" formation of pawns at Q4 and I1 cramps Black's game unless the latter takes vigorous counter-measures. Far from doing that, Black combines... P-KN3 and... P-K3, which weakens the dark squares and the QP, and for good measure wastes further time on moves 7, 9 and 10. White takes full advantage to win by an entertaining attack.

White: W. Uhlmann (East Germany). Black: L. Ljubojevic (Yugoslavia). Opening: Sicilian Defence (by transposition).

The opening moves were 1 P-Q4, P-QB4; 2 N-KB3, P-KN3; 3 P-Q4, N-K2; 4 P-K4, P-P; 5 N-P, N-QB3; 6 B-K3, P-Q3 (more active is N-B3; 7 N-QB3, N-KN5); 7 N-QB3, P-QR3?

The only reasonable plan for counterplay is 7... P-N3; 8 P-B3, P-B4; 9 Q-Q2, N-B2; 10 B-K2, P-K3? 9 Q-Q2, N-K4? 10 B-Q1, Q-B2?

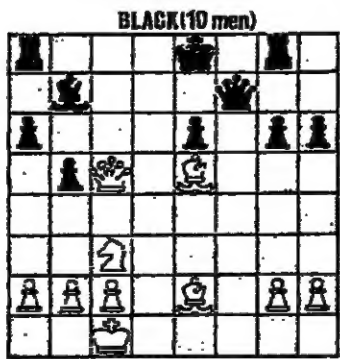
Black now loses by force, though N-K2; 11 P-B4, N-Q2; 12 N-P; P-N; 13 Q-P, Q-Q; 14 B-N4 is also very good for White.

11 N-K4, N-K1 (a typical Sicilian sacrifice, but the follow-up has some original touches), P-N; 12 N-P, Q-B3; 13 N-P ch, K-K2 (or K-B1; 14 N-B3; P-N; 15 Q-Q3 ch, Q-K1; 16 B-B5 ch; 14 Q-N4, N-B3).

Black seems intent on harkling 14... B-Q2 would hold out longer.

15 P-B4, P-KN4 (if N-Q2; 16 N-K5 mate); 16 P-N ch, K-K2; 17 N-BP! Resigns. If 17... K-N; 18 B-R5 mate.

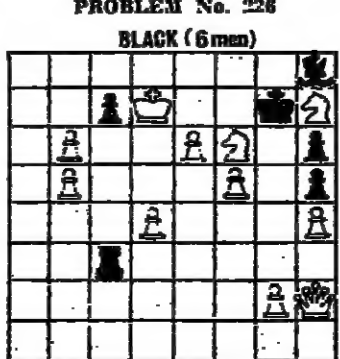
POSITION No. 225



WHITE (10 men)

From a recent Russian game: White (to move) sacrificed two elephants (rook for minor piece) to reach this position with Black's king trapped in the centre. Black now threatens to consolidate by R-Q1 and the question is whether White can find a way through, either for a win or for a consolation draw by perpetual check, before Black's material advantage decides. How should the game go?

PROBLEM No. 226



BLACK (6 men)

White mates in three moves at latest, against any defence (by A. Lauritzen, Denken und Raten 1961).

Solutions, Page 10

A crop of vintage hands

I WAS DELIGHTED to receive a paperback edition of *Odd Tricks* by Travis White, published by GBC Press, Las Vegas at \$3.95. This book saw the light of day in 1934, and contains many excellent hands which you will find entertaining and instructive.

Let us look first at this:

N. ♠ 5 4 ♣ Q 7 4 ♠ 10 6 5 4 ♠ A 5 3 W. ♠ A Q 10 3 ♠ K J 9 ♠ 8 6 2 ♠ 9 ♠ Q 9 8 ♠ J 7 3 2 ♠ K 10 7 ♠ Q J 6 4 2 S. ♠ 8 7 6 2 ♠ A K J 10 5 3 ♠ K ♠ 9 8

With East-West vulnerable South dealt and bid one heart, North replied with two diamonds and raised his partner's rebid of two hearts to four hearts.

West got off to a good start by leading the two of trumps, which cut down dummy's ruffing power. South won in hand, cashed the diamond King, and led a spade. West won with his ten and led the six of hearts which was taken by the seven. Another spade brought the Knave from East, but West overtook and led his last trump, leaving the declarer with four losers.

South ignored the possibility of setting up an extra trick in diamonds. The opening lead

BRIDGE

E. P. C. COTTER

had shown that the opponents would not allow spade ruffs if they could prevent them.

At trick three he too should lead a spade but he is ready to keep both options open. If the defenders do not lead trumps, he will get the needed ruff; if they do, he must hope that the heart seven is an entry—East had played the nine at trick one, and there was no reason to suspect a false card. West returns the heart six, and dummy's seven holds. The diamond Ace is cashed, on which a club is discarded, and a low diamond is ruffed.

When both opponents follow suit, the declarer's troubles are over. He crosses to dummy with a heart to the Queen and ruffs another diamond, setting up the ten on the table. The club Ace

remains as entry to enjoy the established diamond for another discard, and the only losers are three spades.

The next hand illustrates counting:

N. ♠ Q J 7 2 ♠ K 7 2 ♠ J 10 ♠ A 6 5 4 W. ♠ 8 6 5 ♠ A 10 8 4 3 ♠ A 9 6 4 2 ♠ — S. ♠ A 10 ♠ 9 6 5 ♠ Q 5 3 ♠ K Q 10 7 2

Nobody was vulnerable, but both sides had a part score when South dealt and bid one club. West overcalled with one heart, and North raised to three clubs. This was passed to West who bid three diamonds, and South went to four clubs. East doubled—a bad double—and all passed.

IT HAS BEEN Viktor Korchnoi's week in Baguio City. The 47-year-old Russian defector had a winning position in the fifth game of the world chess championship match yesterday but missed the decisive move when short of time. All the experts wrote off Karpov's chances at adjournment, but not for nothing is the world champion considered nearly unbeatable. He found an excellent sealed move, which not even Korchnoi expected.

Korchnoi chose a reputedly inferior move in game four, the world champion agonised for 38 minutes before taking a tame draw.

Although he has started well, Korchnoi remains liable to blunders caused by fifth-hour fatigue. He also has an enormous task in winning six games from Karpov, who has not lost more than twice in any chess event since he was a schoolboy.

West led the diamond Ace, and a second diamond was taken by the King. East returned the heart Queen to his partner's Ace, and another heart was taken by dummy's King. A club was led to the Queen, dummy's last heart was discarded on the diamond Queen, but the contract could no longer be made—East was bound to make a trump trick.

Counting should point the way. East must hold not only the spade King, but also four trumps to justify his double. At trick five the declarer should lead dummy's two of spades, finesse the ten, and cash the club King, confirming his preliminary count of the hand.

He now cashes the spade Ace, crosses to dummy's Ace of clubs, and leads the Queen of spades. East covers, and South ruffs. Now the diamond Queen is ruffed on the table, the spade Knave gives a home to South's losing heart, and a trump is led, enabling South to finesse and pick up East's trumps.

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CLOCKS

The new British monthly magazine for world Clock Lovers. Packed with interest and knowledge for those who appreciate the clock, with them, take care of them, and enjoy reading and learning about them. Written by experts yet not in over-technical language, this beautifully produced new magazine, with money left over pictures, will delight and stimulate you. Published on the 1st 3 copies of each month. Send it to your nearest newsagent now. 60p. Published by: M. J. P. Ltd., Box 15, Hedger Street, Hemel Hempstead, Herts. P.P. 100000

ENSA, then and now



as Paul Robeson

Leonard Hart

Robeson

section. The author is left in

where he excelled as a football player, and again as a law student in New York. The theatre discovered him almost by accident when he played in a charity show after which came the famous encounter with O'Neill who cast him for a main part in *All God's Children Got Wings*, then to replace Charles Gilpin in *The Emperor Jones*.

are adept at showing astonishment and he spends them very judiciously. He is a well-known celebrity in London and is taken up by Lady Astor while making friends with two students, Kennetha and Nikrumbab. But this is only a prelude to his mature political awakening in the wild Russia in Germany and Spain (the Spanish Civil War) somewhere where he is among the Americans in the International Brigade is quietly effective and prepares us for his last period, as an outcast within the United States after his confrontation with the American press. He is now does Mr. Earl Jones turn the volume on full and permit the anger and the pride to wipe the open-eyed grin from his face.

Wiv a little bit of luck

acknowledged "this week" by general secretary Roy Shaw. The Arts Council is putting £25,000 in the Leicester production of *My Fair Lady*, an amount Mr. Shaw is prepared to write off but which he hopes to recover in the probable event of a West End run. The council's month-long tour of Empire have vividly booked the show for Birmingham, Liverpool, Bristol and Nottingham; their investment of £20,000 is contributory to estimating costs of production and touring costs. The show is to be produced by Cameron Mackintosh in association with the Leicester Haymarket.

So, once the Bristol deal is completed, Moss and Louis Benjamin will concentrate on their booking commitments, the Dilly at the Palladium (where Danny La Rue will star in this year's pantomime, *Aladdin*), budgeted at £250,000 with a £5 top price ticket) and the running of the Victoria Palace, where dancers look set to stay for a few years. The transferee of the Victoria Palace

beckons for the Victoria Palace.



Leonard Burt

WEEKEND CHOICE

regions which can taste the Love Boat, an American import which has been seen elsewhere at other times. Very much U.S. might entertainment wallpaper the Love Boat is set aboard a British cruise ship, one of P & O's Princess liners, not that you would know it from the accents of the actor crew. The series has been worth millions in promotion value for P & O in the U.S., which only goes to show that so publicity is bad publicity. The Editors BBC 1 talks about the White Paper on Broadcasting, see FT Page 12 today instead and have an early night. A.S.

Entertainment Guide

[illegible]

YOUNG VIC. 928 8393.
Barb Jonson's **BARTHOLOMEW** 10.30.
Last perf. tonight at 7.45. (A) Improving
production. 5 Times.

CINEMAS

ASC 1 AND 2 SHAFESBURY AVE.
8.30 8.50. 5.15. Late show tonight
11.00. 1.15. 2.30. 3.45. 5.00. 6.15. 7.30. 8.45.
Wk. 11.00. 1.15. 2.30. 3.45. 5.00. 6.15. 7.30. 8.45.
Sat. 11.00. 1.15. 2.30. 3.45. 5.00. 6.15. 7.30. 8.45.
Sun. 5.15. 6.15. Late show tonight
11.00.

**ASC 3 LASKA (opposite Camden Town
Station) 10.30. 1.15. 2.30. 3.45. 5.00. 6.15. 7.30. 8.45.**
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LEISURE

The Newcastle master

THOMAS BEWICK, in the opinion of Ruskin, was "without training... Holbein's equal." "I know no drawing so subtle as Bewick's since the fifteenth century, except Holbein's and Turner's."

No one perhaps would have been more surprised at praise like this than Bewick himself, the jobbing engraver of Newcastle, who passed almost his whole working life attending to trade orders in his little shop in St. Nicholas Churchyard, and for whom the great works of book illustration were almost a by-product. Yet it is hard to dispute Ruskin's high opinion in the face of Bewick's depictions of birds and animals, or the miniature vignettes in which he captured the life of his native Northumberland; or the minute narrative pictures which he punningly called "Tale-pieces."

Single-handed, Bewick revived the art of wood-engraving which had declined sadly since the days of Dürer and the fifteenth-century masters. The popularity of copper engraving had relegated wood-blocks to the crudest needs of popular printing. In over half a century of his creative career Bewick strove constantly to refine the technique and to devise methods which would enlarge the gradations of tone possible to wood-block printing. The very last work on which he was engaged, in his 75th year, was a method to give still greater subtlety to the toning by overprinting several complementary blocks on a single picture.

Bewick generally sketched only the broadest outlines on the block before commencing to engrave. The real creative work was done through his cutting tools; so that he transformed wood-cutting from a reproductive to an autographic process.

Thomas Bewick died 150 years ago, in November 1828; and to commemorate him the Laing Gallery in Newcastle has mounted the most comprehensive exhibition to date. A surprisingly large assembly for an artist who worked on so small a scale, it has been organised by Iain Bain, and designed by Robin Wade, who was responsible for such notable events as the Chinese and Turner exhibitions at the Royal Academy.



Detail of a portrait of Thomas Bewick by William Nicholson (1784-1844)

The coverage of Bewick's life and times ranges from useful comparative chronologies to a rather large tooth which he lost at the age of 74 and apostrophised in a humorous tribute to its fidelity: and there is a very comprehensive record of his work as an illustrator.

The special importance of the exhibition however is its stress on his work as a trade engraver in metal (there is even a re-

COLLECTING

JANET MARSH

construction of the workshop in St. Nicholas Yard); the revelation of Bewick's talent as a watercolourist; and a large section on the many apprentices — some of them first-class artists in their own right — who emerged from the Bewick workshop.

Bewick was born in Cherryburn, on the banks of the Tyne 12 miles west of Newcastle; and he spent the rest of his life in those parts. After his apprenticeship to Ralph Bell, one of the family of great Newcastle craftsmen, he briefly tried his luck in London, but concluded, "I would rather be

herding sheep on Mickleby bank top than remain in London, although for doing so I would be made premier of England." The work of the Tyneside and the rural life of Northumbria remained a life-long inspiration. His woodcut record not only the pleasures and beauty of the rural scene, but also the wild cruelty of which the North is capable. There is a striking vignette in his *History of British Birds* depicting a starving sheep and lamb vainly nibbling at leafless bushes. His last work, *Waiting for death* is a haunting and terrible image of an old horse "turned out, unsheltered and unprotected, to starve of hunger and of cold" on the bleak hill tops with only the shelter of dry stone walls.

For his great works *The General History of Quadrupeds* and *The History of British Birds* Bewick always liked to work from life, and hurried to the itinerant menageries that stopped in Newcastle. His power was his clarity and directness of vision. A Victorian critic, F. G. Stephens, compared his reverence and humility in the face of his water-colourist William Hunt who was "frequently heard to say, 'I almost tremble when I sit down to paint a flower.'" This drew from Bewick's daughter the cross riposte: "Thomas Bewick trembled none!"

Bewick's fame as a naturalist already wide in his lifetime, and there is a touching account of his meeting with the great American naturalist J. J. Audubon the year before he died. The two very different men got on famously. "The old gentleman and I stuck to each other, he talking of my drawings and I of his woodcuts. Now and then he would take off his cotton night-cap and draw up his grey worsted stockings to his nether clothes; but whenever our conversation became animated, the replaced cap was left sticking, as if by magic, to the hind part of his head, the neglected horse resumed their downward tendency."

In connection with the Bewick commemoration, Robert D. Steedman of Newcastle has published a special catalogue of books illustrated by, or about Bewick. Steedman, established over seventy years within a stone's throw of the site of Bewick's old workshop, is one of the best antiquarian book-shops in the country, and certainly in the north east.

You might not guess it at once, because the shop has an iceberg character. All you see when you walk in is a single room with a general stock of no special distinction except clean condition. Only an impressive case of local history books and maybe a dozen modest but choice antiquarian items on display hint what treasures may lurk behind the Cereberus-guarded oak gate to the further regions behind. It is only through catalogues like this, or their stands at privileged book fairs that you discover Steedman's class.

Catalogue no 131 (which costs £1.50 from 9 Gray Street, Newcastle, or from the Laing) is itself a contribution to Bewick literature. Extensively annotated, the 200 items are the result of several years' collecting, and include every edition of Bewick's *Quadrupeds*, *Birds* and *Aesop's Fables* published in his lifetime and under his supervision.

Steedman's catalogue includes one of the few imperial past copies of the first edition of the first volume of *Birds*: Bewick himself was unable to find one for a friend in 1817. There is also one of the only three known copies of a special edition of 25 copies of the illustrations to the *Birds*, produced by Bewick in 1817 to show the best work that could be produced in wood cut. This is priced at £825; as collectors' books go, Bewick is still remarkably accessible; and the catalogue lists (or listed) at £400 another great rarity, *A New Livery Book of Birds and Beasts for Children* by Lewis, which he left as soon as they were 1771 which probably represents Bewick's earliest illustrations of natural history.

POTATO BLIGHT is one of those diseases that makes a fairly regular progression across Britain every summer. Starting in the west, usually some time in late June or early July, it sweeps swiftly eastwards so that the whole country is affected by the end of July. The reason for this is two-fold: first that the fungus which causes blight requires a fair amount of warmth and humidity to thrive, and these conditions usually occur earlier in the western than in the eastern counties, and secondly that spores which spread the fungus, being mainly wind-distributed, are swept eastwards by the westerly and south westerly winds which are so frequent a feature of our climate.

Potato blight can be a devastating disease. It attacks every part of the potato, leaves, stems and tubers: tubers are equally susceptible to it. The leaves usually show the first damp, black patches, which indicate that blight has arrived, simply because they are most likely to catch the first micro-

scopic spores. The disease spreads very quickly downwards, especially if there is rain to carry it, so that first the haulms turn black and eventually withers and then the tubers develop soft brown areas penetrating deep into the flesh, not confined to the skin as in common scab, a much less punishing disease. Scab makes a crop unsightly but blight can render it useless since the potatoes simply rot away after a few weeks.

There are three things one can do about potato blight so far as potatoes themselves are concerned: either concentrate on early varieties, planting these in March so that they can be dug by July before blight has become a serious menace; or grow a second early, or early maincrop variety. If you do this you must be prepared to lift the whole bed a few weeks before the tubers

are full grown if blight strikes; or protect the crop by regular spraying.

Not all fungicides will control potato blight. One that is excellent is also one of the oldest, Bordeaux Mixture, prepared from copper sulphate and lime. It used to be one of the

GARDENING

ARTHUR HELLIER

cheapest and easiest to buy but lately I have had difficulty in finding it on sale, apparently because every company is busy promoting its own speciality. But if you can purchase Bordeaux Mixture, or for that matter, any copper-based fungicide, you need look for nothing

better. Alternatives are maneb and zinab, the first usually marketed under its own name, the latter usually under a brand name, such as Dithane which is actually a mixture of maneb and zinab.

These are not systemic fungicides which actually enter the plant, but are all surface protectants which must kill the fungus as it commences to grow on leaf or stem. Since the plants are growing all the time, it is necessary to spray at least once a fortnight to cover new leaves and stems that were not there to be protected when earlier sprays were made.

For complete safety, the first application should have been made several weeks ago but if your potatoes are not yet attacked, immediate spraying will be just as good. Even if there is already a little blight here or there, spraying will limit its spread. If the disease is already widespread it will be best to cut off and burn all the haulms immediately and lift the crop as quickly as it is convenient to do so.

There is no such let-out with tomatoes, but fortunately those grown under glass are seldom attacked by blight though they have equally severe diseases of their own. It is the outdoor tomatoes that get blight and it can be as devastating as it is on potatoes. Regular spraying every fortnight until late September is the only safeguard and it does mean that all fruits will have to be washed, or at any rate well wiped with a dry rag, before they can be used. The disease that most troubles tomatoes in greenhouses is the summer comes to a close is leaf mould or cladosporium. The symptoms are not dissimilar from those of blight except that the blotches are at first khaki-

coloured on the under-surface of the leaf and pale yellowish above so that the plants have a highly distinctive mottled appearance. Like blight leaf mould thrives in damp, muggy air. Overcrowding and poor ventilation encourage it, and spraying with copper fungicides, maneb or zinab will discourage it.

Best of all is to grow only those tomatoes that have a high degree of resistance to leaf mould. There are a lot of them nowadays, though most are not easy to find in the seed shops. Amberley Cross, Arasta, Cudlow Cross, Grenadier, Maascross, MM Super, Kema and Roma-cross are all available by mail order. (One other group of diseases which becomes increasingly troublesome in late summer is the powdery mildews. All manner of plants are affected, including roses, michaelmas daisies, apple trees, vines, cucumbers and peas, not because the same mildew passes from one to another but because the late summer atmospheric conditions favour all the mildews, even those specific to particular plant families. Fortunately one does not need to be able to identify the precise mildew in order to choose a remedy since the anti-mildew fungicides have a wide range of efficiency.)

Directly you see the first patches of white powdery outgrowth, making leaves and stems look as if dusted with flour, spray with benomyl or dinopap. The former is systemic, the latter a surface fungicide, it is not a bad idea in ring the changes because, although benomyl is very effective at first, if it is used too long and too frequently the disease can build up resistance to it. There is a new fungicide called Nimrod, a mixture of bupirimate and triforine, which is said to be very effective against mildews but I have not yet tried it in my garden.

Summer rush

Particular black spots for finding space are the Balearics, Southern Spain and the U.S.

TRAVEL

ARTHUR SANDLES

Good news is that there are some vacancies. British Airways Sovereign Holidays have space to Turkey (from £190 for a week) and by the Italian Lakes. They, and other operators, have

city holiday space in most of Europe. There is long haul space to Africa and the Indian Ocean.

Ladbroke Holidays tell me there are still "a few" boats for rental on the Norfolk Broads, and villa enthusiasts might try the Travel Club Upminster which has some two bedroom villas and apartments on the Algarve and by Italy's Lake Garda.

P.S. The booking boom looks like continuing well into the new year. Thomas Cook has already sold 22 per cent of its winter capacity and it is not alone in that. Book now to avoid disappointment in January.

Your weekend at Austria 27.75, Belgium 31.75, France 3.50, Italy 1.50, Greece 6.75, Spain 14.25, Switzerland 1.50, U.S. 1.125. Source: Thomas Cook.

Detached driver

The intention is to give the driver as much information as possible. For close to four years a system called ARI (for automatic road information), which was invented by Bosch, has been operating in Germany and Austria and, more recently, in Yugoslavia. All the driver has to do is press the ARI button on his car radio. He will then automatically be fed with all traffic information bulletins as he drives along the autobahn, whether he is listening to a normal radio programme or not.

Bosch, in association with London Broadcasting Company, ran a limited test of ARI in London at the time of the last Motor Show in October, 1976. It caused a lot of interest and most people who took advantage of it found it helpful. By now it could have been widely available to long distance drivers through the commercial radio network but the Government wanted time to study a rival scheme proposed by the BBC.

The project on which Bosch and VW are now working together is called LISA—for Leading and Information System for Automobile Drivers. As he drives over the first loop, the information is registered by the computer which starts to give instructions. These are received by the car as it goes over succeeding loops and

are displayed on an illuminated panel set in the fascia, after a musical little beep has told the driver to look. (The picture shows the display telling the driver he should not be exceeding 30 km/h, that he has to stop at the next intersection and turn left, and that the road is carrying two-way traffic.)

If the driver stays on course, the panel confirms it at regular intervals. Should he take a wrong turning, it tells him to stop and go back.

At the moment, LISA is working only on roads within Volkswagen's 2,820 acre proving ground near Wolfsburg. But in mid-1979 a scheme covering 100 kms of heavily used autobahn between Essen and Dortmund comes into operation. A total of 400 cars regularly driven by private motorists and interested authorities in the Essen-Dortmund district will be equipped with LISA electronics. The experiment will last until the end of 1980 and cost over £4m, of which the government will pay 75 per cent, Bosch and VW the rest.

What is it like driving with LISA by your side? At first, it

is uncanny and vaguely disturbing to have a hidden influence telling you exactly what to do and even wagging an electronic finger at you (actually, flashing a light) if you disregard its instructions to keep below a certain speed.

But it is easy to think of circumstances when it would be an absolute boon. For example, how comforting it would be to land at a strange airport on a pouring wet night, pick up a hire car and be guided electronically to a town 100 miles away that you had never been to before.

But is it a bit Orwellian to have Big Brother (or in this case Big Sister) controlling you? I suppose it is, but no more so than it is for a pilot following the air-traffic by dialling up one radio beacon after another.

Some of the future implications of LISA are more alarming. Would it, I asked, be possible for LISA's loops to check your speed, detect an offence, and issue you a penalty ticket or even deduct the fine from your computerised bank account? Theoretically, it seems, it could, though not with the present equipment.

Once a government gets the smell of money, though, one feels it may only be a matter of time.

MOTURING

STUART MARSHALL

communicate with a central computer on which journey instructions are stored. Each car has a four-digit display device and a visual display panel, linked by means of the road loops with the computer. At the start of a journey, the driver dials up the computer and tells it where he wants to go.

As he drives over the first loop, the information is registered by the computer which starts to give instructions. These are received by the car as it goes over succeeding loops and

new television complex has been hidden in the woods behind the Eisenhower Pond at Augusta National Golf Club, the cable run in Longhurst's traditional perch at the 16th green for the Master's tournament, where he has been sadly missed since 1975, is well over 5,000 yards from the control room to the tower, all of it buried underground.

Imagine the staggering expense of assembling mobile outside broadcasting units from all over Australia in Sydney to cover the Open Championship there with three to four cameras stationed at each of the 18 holes and four more mobile cameras roving the fairways, as did Kerry Packer's Channel Nine last year, and only slightly less ambitiously in 1975 and 1976.

But in every case, except the BBC and Australian Broadcasting Corporation, golf is brought to the screen because commercial time is energetically sold by the networks concerned. For example, CBS, which recently bought a \$30m package for the right to televise between 20 and 25 professional tournaments in each of the next three years, did so in the knowledge that such a vast investment would automatically bring in a colossal income of around \$75m in commercial time sold.

In America, the all-important viewing figures that govern practically every other programme's survival or otherwise, do not apply to golf, whose viewing audience, hardly justified such huge outlays. The important point with advertisers is that although the audience may be small, it is the right one. Golf here appears to go further and further up-market, beloved as it is of manufacturers of expensive cars, insurance companies and other concerns not exactly pre-occupied with the poverty bracket.

So there exists in televised golf very much a chicken and egg situation in which operational costs largely govern technical development. Anyone who watched the sophisticated

CBS coverage of the U.S. Masters Tournament live on ITV last April will appreciate how much splitting the screen, inserts of close-up pictures of players' faces, slow-motion replays, and computerised caption writing, can add to the smoothness and entertainment value of the production.

But on this occasion no expense is spared by the network. This week-end, the CBS coverage of the Sammy Davis Junior or Greater Hartford Open here will be a one-unit, 11-camera production necessarily of vastly less sophistication, despite the expertise of the production staff concerned. I was only able to watch the BBC coverage of the Open Championship at St. Andrews in snatches, a situation for which I became profoundly grateful long before the week was out.

GOLF

BEN WRIGHT

HARTFORD, Connecticut, July 28.

It was astonishing to see how far the quality of the BBC production has deteriorated since the golden days of Longhurst at the height of his powers.

Those of my colleagues and friends who were able to watch more of the BBC presentation than I were unanimous in their condemnation of it both from the technical and verbal standpoints.

If the director had ever got around to splitting the screen, for example, we might have seen Simon Owen hole his chip shot at the 15th hole in the final round to take the lead. Where were the slow-motion replays of the vital strokes?

Why wasn't Owens' chip shot recorded since he was tied for the lead at the time? One could go on and on, and I am sure

the BBC could plead poverty as their excuse, as they are wont to do nowadays.

But a restricted budget has nothing at all to do with the standard of commentary, which must have broken Longhurst's heart. In my humble opinion, the decision to use four professional golfers as a back-up team for Peter Alliss, was nothing short of disastrous. This last adjective is a polite one compared to many I heard notion quite voiced within the confines of the R & A tent, incidentally. The verbal homicide committed at the expense of the Queen's English was bad enough. Some of the dialect was virtually incomprehensible, particularly to visitors from abroad.

There will always be complaints that far too much is shown, but this department is unfortunately almost half the game. The use of the slow-motion replay can be overdone, as it has been in the past, particularly by ITV. CBS has come up this season with a gimmick called Actiontrak which shows the progress of a putt towards the hole in a series of white dots that can describe most graphically a big swing, as can and does occur on the villainous 14th green at Augusta. But unless there is such a pronounced curve, the gimmick quickly outstays its welcome.

The following of a golf ball in the sky can be terribly misused unless it relates to the golfer and the landscape.

All these things are a matter for personal preference and debate, as are commentators. But few would argue that Longhurst was the best of them all. I will remember him for many abilities but possibly most of all, besides his flashing wit and encyclopaedic anecdotal memory bank, for his use of silence as the most dramatic weapon of all commentators. Longhurst was never at a loss for elegant words, almost always finding the most effective for the situation and pictures concerned. But only he could make silence truly golden.

YACHTING

DAVID PALMER

SOME TIME today, either the American Rogue Wave or Chay Blyth in Great Britain IV will cross the finishing line in Plymouth to win the fourth Observer/Royal Western Round Britain race.

Both are giant trimarans. Both have been raced flat out around the 2,000-mile course. Whenever the wind has gone light, Chay Blyth and Rob James in the smaller but lighter and more heavily canvassed GB IV have gone into the lead. Whenever it has blown hard, Rogue Wave's extra length and more versatile sail plan have put her in front. On the four legs of the course to Lowestoft, each boat has led the fleet twice. When they both left Lowestoft in the early hours of Thursday morning, GB IV was just 24 hours behind Rogue Wave with 300 miles of largely windward sailing ahead of them.

The sentimentalists are backing Rogue Wave. She is skippered by Phil Weld of the U.S. and crewed by David Cooksey, a British businessman. Phil Weld, now in his 80's has recently sold his newspapers publishing business and retired to a life of full time trimaran sailing. This is his third Round Britain (he has finished third in the last two), and victory today would be a fitting climax to 12 years as one of the leading apostles of multi-hull development.

Among the other classes, the Dutch Tjelsa II (Dirk Nauta) should hold on to her position as first monohull. She has over four hours in hand over Robin Knox-Johnston in Great Britain II, who tore his mainsail out on Lowestoft.

In the under 35-foot class the American Wally Grosse and his wife Joan are romping away with the multihull prize in A Cappella.

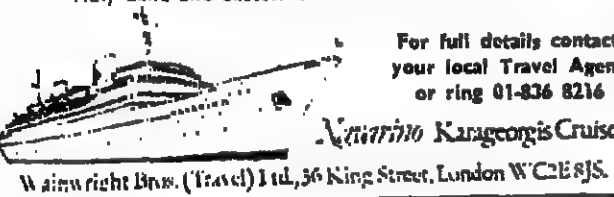
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PUBLIC NOTICES

WELLYN HASTINGS DISTRICT COUNCIL. 100,000 Bats were roosting on the 23rd July 1978. All bats are now dead. Applications for licences to kill bats should be made to the Wildlife Officer, Welwyn Hatfield District Council, Welwyn, Herts. SG13 7JF.

ART GALLERIES

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FINANCIAL TIMES

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Saturday July 29 1978

A touch of the sun

IT HAS BEEN a confusing week, and not only in Westminster. Almost around the world stock markets are tending towards their year's high. Yet at the same time the price of gold, which normally moves in the opposite direction, has been steadily advancing. In London the All-Share Index not only reached a new 1978 high on Thursday: it also moved to within 2 per cent of its all-time peak, achieved as long as six years ago.

Stirrings

There may be special reasons for the London performance. The on-off-and-analytically-on-again dividend control saga seems in the end to have had a mildly beneficial effect. The market has taken the view that the idea that a company's pay-out ought to reflect its profitability has been accepted at least in principle, even if it is still going to be difficult fully to implement it. A similarly charitable view has been taken of incomes policy. For the moment the figure for Phase IV settlements is 5 per cent, even if it has been rejected by the TUC. It will be at least some weeks before it is put to a serious test.

On firmer ground there is perhaps room for some optimism about interest rates. The next move seems likely to be downwards, and although it is harder to say when it will come, it is reasonable to assume that the Government would like to see some relaxation—perhaps by several stages—during the holiday period and the run-up to the general election.

There is, in any case, a widespread feeling that the holidays are almost upon us and that politics can be put briefly aside until the time comes for the election campaign proper to begin. Most of the Government's actions in the past few days have been of the tidying up variety, and there is in fact very little left for it to do. The Dock Labour Scheme was lost in the House of Commons on Monday without too much pain. On Tuesday Mr. Callaghan scored an unexpected debating triumph in the exchanges on the incomes policy White Paper—a setback from which the Parliamentary Conservative Party had still not quite recovered at the end of the week.

On Wednesday came the joint TUC-Labour Party agreement. Into the Eighties, a document which the Prime Minister must be glad to have out of the way with as little publicity as possible. And on Thursday there was the Dividend Bill. Since the Government made it clear in advance that it was determined to introduce it even if it could not guarantee safe passage, it must be assumed that the purpose was largely symbolic. While in the short term it has not knocked the market, the fact of its longer-term damaging impact on the economy remains.

On the surface, all that looks reasonably satisfactory from the Government's point of view. And yet it is a characteristic of Mr. Callaghan's administration that it usually has been quite calm on top; it is the stirrings beneath that are more disturbing. Into the Eighties, for example, cannot be simply brushed aside even if it is not as the Prime Minister stressed, the Labour Party Manifesto. The threat to remove any remaining independence from the Bank of England, the emphasis on planning agreements and talk about the direction of investment—all these and a great deal more will remain on the record for Labour activists to refer to and press on the party leadership. The Labour Movement indeed has not changed much since Mr. Callaghan took over, even if he has been able to stop the wilder flights of fancy.

Tory odds

Nor is Mr. Callaghan himself entirely free of blame. The Dividend Bill was quite unnecessary. There is no evidence that the unions had been asking for it, nor had much interest in it. The Government could have allowed the controls to lapse without difficulty, but chose not to do so. When the election comes, that readiness to lean over backwards not to upset left wing prejudices should not be forgotten.

As for the Conservatives, they may have been a bad week, but they can still take comfort from the opinion polls and their performance over the years in the various by-elections. Going by recent odds the bookmakers at least seem to favour them, and there could be worse judges than that. In the end the result will probably depend on the campaign. As in the markets, there could be exciting times ahead.

THE NEXT FEW months are likely to see the liveliest period of broadcasting industry head-hunting in the UK since the setting up of commercial television in the mid-1950s. Publication of the Government's White Paper on Broadcasting has opened the floodgates to those who aspire to broadcasting power. If the present plans go ahead over the next five years, management, production people, and on-air talent are going to be needed for a new television channel; new consortia to compete for the present Independent Broadcasting Authority franchises; at least 50 new local radio stations; and perhaps for a series of pay-TV experiments which may be set up. With the IBA's overlordship now extending down to the in-house radio stations of Britain's hospitals it is possible that even this modest field of activity will become an area for attention by the broadcasting ambitious.

Nor is an election likely to change the broad patterns in this scene. Since the White Paper contains Labour's plans, a Labour Government would, presumably, see them through. The main Conservative changes would involve the fourth channel (which would go to ITV but still need substantial additional staff) and the administration of the BBC. What the White Paper has done is assure the broadcasting fraternity that there is political interest in the subject after all.

Applicant groups

The two immediate areas of interest are local radio and the new ITV contracts. Neither of these fields need legislation and in the case of radio all that is required is a few words from the Home Office. By all accounts the reaction should be pretty rapid. The Independent Broadcasting Authority says that potential applicant groups are known to exist at varying degrees of readiness in some 70 or 80 areas throughout the UK. And the BBC already has its own list of 18 stations which it is eager to start work on soon—assuming it gets something like the £30 annual television licence which it is now seeking.

All that needs to be sorted out as far as radio is concerned is frequencies. We have come a long way since the BBC claimed there were not enough frequencies for Britain to have the sort of local radio network which is boasted by other countries. Now it seems there are enough to provide the UK with a radio system which is superior to that found anywhere else in the world—as it already is if you are fortunate enough to be living in London, where there are two good commercial stations, a BBC local channel, and all four national BBC systems.



Donald Baverstock: bidding for Tyne Tees.

The BBC, the IBA and the Home Office will now sit down and work out the frequency allocation. This process may not take anywhere near as long as the search for transmitter sites and the process of obtaining planning permission to erect transmitter aerials.

Fortunately for radio, talent is less difficult to find than it is for television. There is a ready supply of competent journalists eager to try their hands at radio work, and the entertainment side of the business can draw on the invaluable training ground provided by the explosive growth of discotheques. Television demands an additional dimension, however—a screen presence is not easily acquired.

It is for this reason that the fighting over the next round of television franchise areas is likely to be a good deal less gentlemanly than the arguments over radio contracts. In order to bid for contracts any outside organisation has to prove that it has been able to recruit talent—but in order to get this talent it must first present contractors and sign-up people for future use. It is a system fraught with danger and heartbreak.

The White Paper gently slides away from the issue, tending to leave the impression that in 1981 we could have the same scramble as in the late 1960s, with the same potential for bloodletting.

The White Paper recalls that Annan recommended that television contracts should be awarded. (A rolling contract awarded for a fixed period of seven years and that the idea of rolling contracts should be rejected. (A rolling contract is one which has no fixed break point, but under which a contractor is under permanent notice of, say, two years.) The Government points out that "the advantages which are claimed for a system of rolling contracts over a system of fixed term contracts are that the former offer

greater security of tenure for a programme contractor and that, by enabling the Authority to refuse to roll the contract (or to roll it for a shorter period than it would otherwise permit), the Authority has greater leverage at more frequent intervals to require a programme company to improve the service it is providing.

The disadvantage of a system of rolling contracts is that it is too favourable to the incumbent programme contractor; if the contractor's performance is not satisfactory it can be given, and the Authority will under great pressure to give it, another chance. Moreover the system could inhibit the Authority from making such changes as it considered desirable to the franchise areas.

The Government is now looking for comments on this point and will make up its mind later. The dilemma was clearly spelt out during the hearings of the Commons Select Committee on Nationalised Industries when the leaders of the IBA were being questioned by MPs. No one seemed too concerned by companies being at risk on their contracts; they had, after all, taken their contracts on that basis. There was, however, considerable concern for the staff of those contract companies. Was it really being suggested that the IBA should be able, at will, to kick several thousand people out of work simply because it did not like the type of programmes produced under the direction of that company's management?

Needless to say the answer to this was that the staff were not likely to remain unemployed for long. Any new contractor would have to find employees, and the most likely source would be the company which lost the contract in the first place. The heads which rolled would be those of senior management.

Clearly at the moment there is considerable interest in what

the IBA might do in 1981. No one expects the kind of Lord Hill revolution which turned out TWV (Television, Wales and West), destroyed Associated Rediffusion as a separate entity, and produced London Weekend and Yorkshire. The most that is genuinely touted at the moment is the easing of Tyne Tees away from Trident, the splitting of ATV's Midlands franchise; and an attack on the once weak but rapidly strengthening London Weekend.

The Tyne Tees bidders are the ones which would show their hands most strongly at the moment. In this case some well-known names are involved, notably Donald Baverstock, ex-BBC and ex-Yorkshire TV; and Tom Margerison, himself ex-LWT. The Tyne Tees area is a peculiar television situation. It was in 1971 that Yorkshire took Tyne Tees under its umbrella in a deal approved by the IBA, partly thanks to a row which was going on over a transmitter in the southern Yorkshire area which threatened to lose YTV some territory.

Several Newcastle dignitaries have signed themselves up as backers of the Baverstock-Margerison bid, and money has been promised from local brewing and other interests. The consortium was cheeky enough to bid recently for the Tyne area contract from the summer of this year.

It would be naive to think that this was the only consortium on the go at the moment; there are several others which have yet to declare themselves. The contract business is an extremely sensitive one. Normally a prospective bidder tries to sign up senior television people from both commercial companies and the BBC in order to impress the IBA with his array of talent. Clearly no senior BBC producer is keen for his employers to know that he is in league with a possible rival and when such news slips out, as it sometimes

does, the consequences can be awkward. Bidders who reach the final stages and lose are in almost as dire a position as those who have a contract and fail to have it renewed.

Probably the most sought after man at the moment in all the lobbying which is going on is Mr. Jeremy Isaacs, currently programme controller at Thames Television—Britain's biggest and arguably most successful commercial television company. Isaacs recently resigned from this post. Apparently he had taken the job on for a specific period and when the contracts were extended it was clear that he would be leaving at the very time when Thames was bidding for renewal. Isaacs has said he wants to go back to programme making and denies that it was a clash of ideas over scheduling with Brian Cowill—managing director of Thames and former BBC scheduling whiz-kid—which provoked the move.

Programme maker

Isaacs is now the hottest property around. If he is determined to revert to being a programme maker then one of the consortiums might be eager to recruit him. On the other hand if he can be tempted into continuing in management, clearly many a consortium would welcome him as their leader. The one drawback in all this is that there have been suggestions that one of the main reasons behind Isaacs's departure was his interference with the IBA (He was, of course, involved in the Northern Ireland programme banned by the IBA and shown in part by the BBC). If that is the case he might be less than willing to have a full frontal involvement with the Authority again.

The one big job which is going to cause the greatest

attention is that of head of the OBA channel (or if the Tories win the next election, ITV-2). This appointment cannot be far away, since the establishment of the channel will take three or four years from go-ahead and someone will have to steer the organisation in this period.

To those not eager to become involved directly in consortia the whole business of the OBA has opened up interesting prospects. The Authority will not itself be a producer of programmes. "The OBA will have a special obligation to seek programmes from a wide variety of sources and to provide programmes which cater for minority tastes and interests," says the White Paper.

There are those who have not been slow to notice that this means anyone is free to make contributions. The OBA will be in the market for programmes of all types, and thus someone who comes up with a good series on, say, fishing, or investment in Chinese porcelain, wants to make a drama series or has a bright notion for a documentary, is likely to get a welcome. This may not only appeal to impecunious independents. In the U.S. the Public Broadcasting System has been of particular interest to major companies making sponsored films. The sponsorship, which is allowed under the White Paper rules for the OBA, can still produce quality television.

American majors tend to make prestige films using famous personalities at considerable cost and with no direct relation to their products. The company name is used at the start and end of the film and it is normal for the companies to take large advertisements in the newspapers of the day promoting the film with messages like: "The Gluck Oil Company proudly presents, Man and His Environment, with Laurence Olivier on Channel 34. Gluck, the high mileage oil really cares for your life style."

It may take a little time for British companies to adjust to this style of promotion but on American form they probably will. There have been doubts expressed in evidence to the Annan Committee and in various reviews of its findings over whether or not Britain has a sufficient pool of talent to meet all the demands being placed upon it. If there is so much skill about why is there not more evidence of it on our screens today? It is a fair enough question and if the new channels and radio stations were to open tomorrow there almost certainly would not be enough trained talent to go round. But with much of the British film industry under-employed there is plenty of slack around if someone is willing to spend time and money taking it up.

Letters to the Editor

Olympics

From Lord Leake.

Sir,—I write with interest that your two articles in the issue of July 22 on the subject of the Olympic Games in general and Los Angeles in particular, largely cancel each other out.

I cannot, however, let it pass without recording my concern over the inaccuracies in your article—concerning Lord Killanin.

Perhaps your correspondent, Mr. Maurice Irvine, would care to inform Mr. Bradley and other council members that the opinion of the members of the International Olympic Committee, the International Sports Federations and the National Olympic Committees round the world, Lord Killanin is neither pompous, intolerant, nor autocratic. He is—on behalf of the IOC—upholding the rules of an organisation which have lasted well for 80 years or more and proved most successful for every succeeding Olympic Games.

If I should dare to offer my advice to Mayor Bradley it would be that since a consortium of businessmen has offered to underwrite the Games in Los Angeles it might be that Mayor Bradley could accept the IOC contract with the backing of the businessmen, but could surely satisfy the taxpayers in that way.

Ld-le Castle, Odell, Bedfordshire

Headlamps

From Major A. Sutton.

Sir,—I would not wish to prolong the subject of headlamp flashing but your correspondent Mr. D. Haze and Mr. P. Jackson (July 24) refer to me, without even knowing whether I drive a car, in such terms as to make it necessary to enlighten them in their absolute misinterpretation of my letter, and also of my own attitude to the subject in debate.

The point, which I hope to have made at least to yourself and other readers, is that we have heard from Mr. Johnson, Labour, Derby South, who by his implied statement from your paper, is irritated and scared by headlamp-flashing "when in the outside lane doing 70." He makes no mention of overtaking but merely of being there. Had

he not said "doing 70," the implication of staying there for the sake of it would not have been so clear. By virtue of being an MP he wishes to soothe his momentary irritation by wild-card and impractical legislation. Perhaps he thinks everyone who flashes his headlights is a Conservative! What a state of affairs it would be if attempts were made to pass laws every time someone is annoyed during a motor journey.

The vast majority of drivers shrug off such things and proceed on their way, and failure to do this results in a nervous and fragile state of mind, making such a person, MP or otherwise, unsafe himself on the road.

I might add that had it been a Conservative MP I would write in just the same vein; though I support that particular party, they have done little more than to let the motor-car, and regard it with hostility, but as a convenient mule-car. Perhaps your two correspondents support Mr. Johnson politically. I know not, but this we all see every day, that a Socialist, wherever or whatever he is, screams blue murder at any criticism, and for a certainty carries this in-built attitude into motoring on occasions, as well as elsewhere.

Mr. Haze and Mr. Jackson attribute, without knowing me, to my outlook on motoring, those very things which in fact I abhor, and which it would surely, I would have thought, be impossible to imply from my letter. I can assure them most firmly that I, as they, detest the bog pirate, the "exhaust-pipe" driver, the deliberate slow-bog, and all the nuisances which I have to tolerate in the 30,000 cars which I see every day in my car. I further feel it my duty to thank them for telling me about the Highway Code, which I have read, and could write myself. When I started driving in 1931 I hadn't been invented, and there is nothing new today that is not covered by good manners, ability, competence, and regard to prevailing conditions of traffic and weather.

I also took and passed, first time, the Institute of Advanced Motorists' Exam, in May, 1959. I have done nothing to offend my fellow-motorists or warrant the confiscation of my badge since—or before, either! Just to give Messrs. Haze and Jackson a bit of bait to bite, however, I

raced at Brooklands before the war, and took part in reliability and speed trials with great enjoyment and without bashing myself or anyone else. To conclude, motoring has innumerable facets, each journey is a completely new and unpredictable occasion. When inspecting MPs' cars in the House of Commons courtyard I have not seen any vehicle whose owner, by its appearance and condition, has any qualification for incompetence in these motoring matters. Indeed, why should they, when most commercial travellers, like the staffs of Autocar and Motor, are far better qualified to set out rules of the road, because these latter people live with motoring day in and day out.

(Major) A. B. de S. Sutton, St. Margaret's Priory, Rattlesden, Barry St. Edmunds, Suffolk.

Driving

From Mr. D. Griew

Sir,—The correspondents who attack Mr. Walter Johnson (July 14) have all seized on the idea, suggested by his own words, that he is an inadequate driver who regards a speedometer reading of 70 mph as justification for remaining in the overtaking lane. These letters reveal the amount of frustration caused by this inconsiderate behaviour, which is certainly common.

Yet Mr. Johnson has a perfectly valid point, which he seems to have failed to make. Some of the drivers he criticises really are inexcusably dangerous, not because they flash their headlights, but because they also close in until they are about a car's length behind a distance travelled in less than one-fifth of a second at 70 mph! The leading driver is now in a situation where he hardly dares to touch his brakes at all, since the "cowboy" (who may appropriately be wearing boots, and for that matter may be a girl) is unlikely to be capable of moving from accelerator to brake in less than half a second after seeing a brake light.

He can only pray that the road remains clear ahead, so that he doesn't need to use his brakes before he has a chance to move over, if he chooses to stay in the overtaking lane, he must value his pride above his life,

because even a slight collision at this speed can initiate a sequence of accidents, involving more vehicles, ending with rollovers, crushed cars, and so on.

The behaviour Mr. Johnson complains of is punishable under existing law, but the police seem to prefer to concentrate on offences that are easier to measure and to prosecute successfully. They might at least make an occasional example of these offenders, perhaps using photographic evidence, and why shouldn't such pictures be offered to the Press?

D. C. L. Griew, 34, The Ridings, East Preston, Littlehampton, Sussex.

Petrol

From the Commercial Director, Craven Tuskier (Anderer).

Sir,—In Tuesday's paper it was stated that the abolition of the Excise duty on petrol driven cars would increase petrol by 19p per gallon.

This takes a lot of believing. £50 tax=5000p=19p=263 gallons per year. I feel sure there are only a few second cars in families with annual mileage, so low and what about the saving in staff etc., at Swansea?

A. E. Wiswell, Anne Valley, Andover, Hampshire.

Nationalisation

From the Director, Aims

Sir,—You report that the plan by the nationalised British Shipbuilders to diversify out of ship and marine engine building was attacked by the engineering employers as "morally wrong" (July 21).

This move has to be seen not only in connection with shipbuilding, but also against the whole impetus towards "galloping" nationalisation. A few years ago Aims' research showed that over 1,000 companies were owned by the state in total or in part—even into a football club!

It is such a feature of our present society, Michael Ivans, Aims, 5, Plough Place, Fetter Lane, EC4.

Productivity

From Mr. M. Greener.

Sir,—The one common factor in various criticisms regarding our rating in the international economy appears to be the focus on our abysmally low productivity which, in the long run, is possibly the root cause of all other UK economic ills.

There seem to be two prime contributory factors to this productivity decline and fall. The first, as has so often been observed, lies in considerable overmanning—and at management levels as well as on the shop floor, not to mention within the structure of bureaucracy. The second, and more subtle factor, lies in the determination of the state, albeit indirectly or unconsciously, in its perennial war against competitive economic forces, to remove competition not only in the market place for goods but also in the sphere of employment. The need for responsible trade unions should not lead us into an acceptance of the apparent insistence of those unions to co-opt their members to the extent that security of employment is completely independent of either group or individual levels of efficiency. Good management has been deprived of the power to replace unproductive units of labour with efficient units without inviting complete industrial disruption. Nowhere is this more obvious than in those industries controlled by the state itself where, by the very nature of socialism as she is practised, the one cocoon is reinforced by another.

Traditional economic forces would have used present high levels of unemployment to increase both the competition for work and, thereby, productivity levels. That such forces are no longer acceptable may be understood but it is also acceptable that union interference coupled with an absurd Social Security system should not only remove the likelihood of men competing for a limited number of jobs but should actually make the giving

up of work altogether an attractive proposition?

In the present political climate a proper solution to the problem of an abysmally low level of productivity is little more than a pipe dream. The only real hope would be for capital and labour to shake free of traditional prejudices and get together with the avowed object of cutting manning levels to a minimum and not only on the shop floor but within the areas of management itself and the bureaucratic jumble of paper-processing in which it dwells. The immediate effect of such action would obviously be to inflate the already high unemployment figures. That, however, is a problem for the state which it could well tackle by organising the unemployed into "dole brigades" which would be deployed by the Department of Social Security in areas of socially valuable work too diverse to interest private enterprise.

It is worth noting that a much reduced industrial workforce would be well placed to negotiate attractive wage rates and in so doing, provide its members with an incentive to keep their job. There would also be a new incentive for members of the "dole brigade" to seek to join that workforce by proving their superior efficiency.

Michael John Greener, 9, Romilly Park, Barry, S. Glamorgan.

Zero

From Mr. E. Banchemo

Sir,—Mrs. Wittenberg (July 19) is talking twaddle. Already 20 years ago I noticed that people in the street and notably secretaries were unable to move the zero either way and relied on the help of ready reckoners. It is indeed a sad state of affairs which I simply ascribe to an inborn aversion in the British to anything decimal and decimal prevents anyone but the better educated to multiply or divide by 10.

The fault therefore lies entirely with the teacher and not the pupil. And the national propensity to do things by fractions, quarters, sixths and so on does not help. Emilio G. Banchemo, The Studio, 106, Elizabeth Meux, NW2.



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Lessons of the disaster in Atlantis

BY MICHAEL DIXON

"OUR HIGHLY TRAINED officers are standing ready," said Mr. Alan Summance, Chief Commissioner of Police. "We shall not hesitate to act decisively. We want no any fair objections from the Social Affairs Department."

Prime Minister Geoffrey Tideswell nodded, and turned to Transport Minister Rene Carrillo, asking: "I assume the transport trades unions will co-operate fully if there is an emergency?"

"From what we have just heard from the Police Department," Mr. Carrillo answered, "I should imagine so."

The other 11 members of the National Disaster Emergency Committee of Atlantis—a parliamentary democracy located on a peninsula somewhere in the Indian Ocean—smiled wearily and looked at the clock. Oddly enough, the hands were not moving.

Suspended time

The reason was that IBM's Scientific Centre at Peterlee had suspended time in the make-believe Atlantis exercise for training "disaster-managers" had proven used to their roles and responsibilities.

This was the sixth run of the exercise, designed to give administrators a feeling of the difficulties of organising major relief in the wake of a catastrophe, whether natural, such as an earthquake, or accidental, such as a chemical plant explosion. Lieutenant Colonel George Ritchie of the Royal Military College of Science, who worked with Lancaster University under IBM sponsorship to develop the exercise, believes its greatest potential lies in

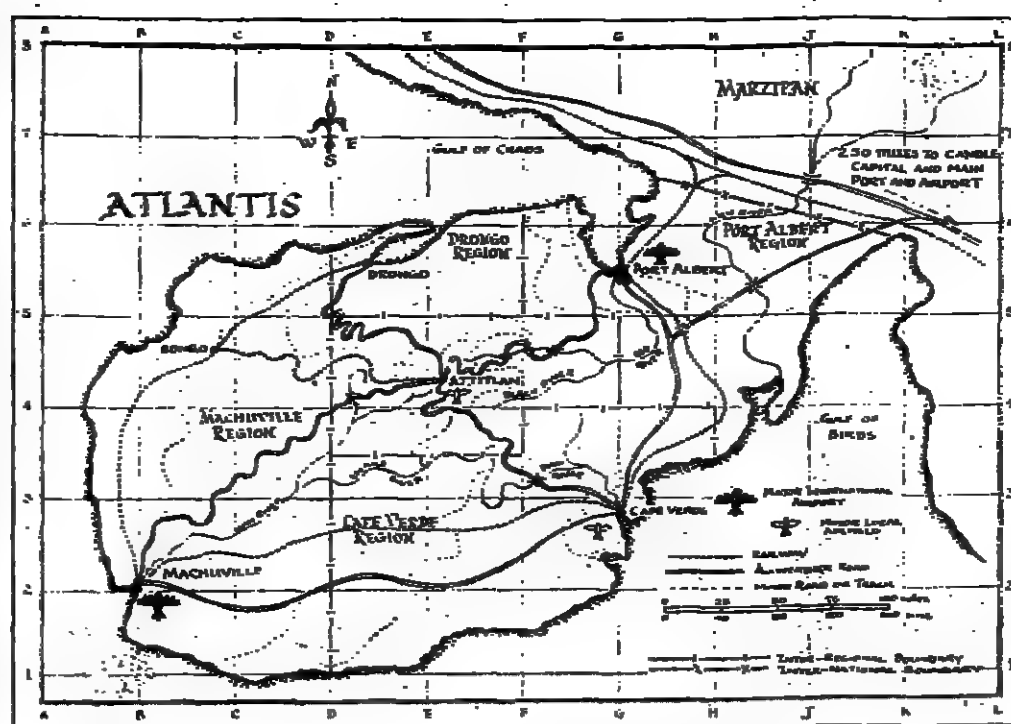
training officials of developing countries which, although highly prone to disasters of one sort or another, seem virtually unprepared to cope with them.

The joint creators of Atlantis are supported in this view by the League of National Red Cross Societies in Geneva, which sent Mr. Carrillo to take part this week in Peterlee. But the necessary extra sponsorship to take the project to the developing world so far has not been forthcoming from the United Nations Disaster Relief Office, although the UN's Geneva High Commission for Refugees lent Mr. Summance for the sixth run.

The remaining 15 participants—a dozen committee members and three official observers—came from relevant organisations in Britain where, while courses in emergency management are provided centrally by the Civil Defence School in Yorkshire, the responsibility for preparing to deal with non-military contingencies such as poisonous seepages, Jumbo jet crashes and oil slicks is effectively left to local authorities.

The British participants in the Peterlee exercise, which ran from Wednesday until yesterday, came from the Home Office, the Fire Service Inspectorate, the Scottish Health Service, and the Red Cross Society.

But only one local authority was represented—that of Greater Manchester, which contributed its county secretary, Mr. Tideswell, as Prime Minister, and his senior assistant emergency planner, Mr. Bernard Hayes, as Home Secretary. While denying that their attendance indicated any cause for unusual worry in their area, the Manchester pair stressed that these days governmental



Peterlee's Atlantis is make-believe; but the disaster problems tackled are real.

executives "can be good only by being careful."

Anxiety to counter unemployment tended to promote expanded industrial development, explained Mr. Tideswell, which in turn tended to increase the threat of catastrophe in ways effectively beyond a local authority's control. "For example," said Mr. Hayes, "there must be a lot of work, involving high speed as well as level-headed decisions in uncertain circumstances, demanded by disasters both natural and accidental."

The computer programme helps to tune administrators to the required performance by participants' interest in taking

part in the exercise, which for its verisimilitude depends heavily on a computer programme developed by Lancaster University's subsidiary company, International Systems Corporation, of Lancaster.

Another finding of Lt. Col. Ritchie's study was that governmental officials are generally not geared for the kind of work, involving high speed as well as level-headed decisions in uncertain circumstances, demanded by disasters both natural and accidental.

The computer programme helps to tune administrators to the required performance by participants' interest in taking

and copious flow of information. It simulates all the sub-ordinate officials and services on which the Atlantis national committee could usefully call in trying to relieve a disaster. The programme also simulates the country's whole population and their needs of food and other resources, such as fuel, transport, medical services and communications links.

The committee's members for "physical resource" areas of government, including public works, telecommunications, defence, and health as well as police and home affairs, are

thus plunged into a situation at once demanding, confusing and strained. But the exercise directors also introduce complexity of purpose by throwing in a couple of Social Affairs Department representatives in whom concern for human rights is at all times paramount.

Even before this week's Atlantis committee knew an earthquake had hit them, for instance, social affairs official Miss Pam Pouncey, who in real life works for the British Red Cross Society, was asking about the religious persuasions of the different regions so that the dead might be disposed of in accordance with their beliefs. "Wouldn't we do better to find out if there are any machines that would gobble them up as fast as we shovel them in?" contended Police Chief Summance. But Miss Pouncey won. An early instruction to the shattered central region around the city of Attulan stated categorically that all bodies identified as belonging to the Flat Earth sect were to be buried vertically, head downwards.

Besides this conflict of principles inside the committee, the exercise's directors introduce what they call, euphemistically, "noise" from outside. Not all the information fed to the committee about the effects of the disaster, such as the blockages of roads, is correct information—although with a bit of thought, probing the disaster-managers could detect which reports are unreliable.

Extra 'noise'

Extra external "noise" was provided at Peterlee by the quiet mayhem-making of Dr. Lewis Watson, of Lancaster University. He sat, seemingly asleep, while Lt. Col. Ritchie

set the Atlantis clock racing once demanding, confusing and strained. But the exercise directors also introduce complexity of purpose by throwing in a couple of Social Affairs Department representatives in whom concern for human rights is at all times paramount.

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Naturally, therefore, he and Lt. Col. Ritchie were delighted when the three Press reporters, present to observe the exercise, decided to take a professional hand in it.

By 5 pm Peterlee time, though in the early hours of a monsoon morning in Atlantis, it transpired, for example, that enough reporters from other countries' newspapers had flown into Machinville to necessitate a top-level Press conference. The Premier and Home Secretary were therefore suddenly pulled out of the committee room to answer questions. And one reporter lured the Prime Minister into stating that the

potentially rebellious Armed Forces chiefs were secretly under constant watch by the security services.

The "world's Press" thus went off to type a story to gladden the most jaded news editor. But when, as a last gesture of goodwill, before leaving the IBM centre, they handed the story to the committee, it was not even read. The disaster-managers' attention was elsewhere. They were just hearing a radio message that a second earthquake, accompanied by a tidal wave, had struck the crucial harbour of Port Albert.

Orderly

But they were not dismayed. By yesterday morning—a full week later in Atlantis—the stricken region was starting to achieve an orderly recovery, and George Ritchie judged "the team's whole performance" to have been extremely good.

The same was said, apparently, by the late Prime Minister Tideswell just before he stepped aboard an aircraft on Thursday night to visit the Attulan area, to be heard of no more. His presumed demise led Defence chiefs to prepare for a coup. But they were eventually persuaded, in the interests of democracy and the disaster victims, to accept Dr. Ken Groom, who took up his job of the national committee's co-ordinator, after working at the Royal Institute of Public Administration in London, as caretaker Premier pending a general election.

"The critical factor in preserving democracy was Miss Pouncey," Lt. Col. Ritchie added. "The Defence chiefs were visibly swayed by her appeals for unity."

Weekend Brief

Pays to advertise

In one of those coups that periodically convulse the advertising world, Kodak has just sacked its advertising agency of 16 years standing, J. Walter Thompson, and transferred its advertising account to one of JWT's fastest-growing, most aggressive rivals, McCann-Erickson. The switch is effective from next year. The account, expected to be worth nearly £3m this year, involves all Kodak's mass-media UK consumer advertising and is one of the largest of its kind in Britain.

For Kodak, the break marks a painful parting, for it is very rarely that advertising accounts as big as this change hands. For JWT, the Kodak loss will be taken as a sign that its long-held position as London's biggest, most prestigious ad agency, is beginning to buckle, though its resilience is considerable. For McCann-Erickson (the McCann chain already handles large slices of Eastman Kodak's international advertising), the capture of Kodak UK is yet another chapter in a remarkable

say was this: "We have worked very closely with JWT, but there are changes underway in the marketplace and we have come to the conclusion that it is time to change agencies."

Famous for its work for clients like Guinness and Rowntree Macintosh, JWT has ruled the roost in London's adland for years. But in recent months there has been unbrotherly jostling among the Big Three agencies. In the year to June 30, JWT's main-media billings as monitored by Media Expenditure Analysis, were £47.6m, just behind D'Arcy-MacManus and Masius (£49.2m) and only fractionally ahead of McCann (£46.5m). All three are American-owned. No. 4 at present is the British-owned, publicly quoted Saatchi and Saatchi Garland Compton (£41.6m).

Prior to its loss of Kodak, JWT was showing reasonably good net business gains for 1978, despite the loss of Pan Am's £800,000 and other chunks of business.

But Kodak is a blow. According to chairman Jeremy Bullmore: "Clearly we have failed in terms of people or awareness of their requirements. I believe our work for Kodak ranged from the exceptionally good to the adequate—certainly the advertising was effective. I understand that every major Kodak product launch we handled met its sales targets. On the other hand I accept that in a case like this, 85 per cent of the blame for the divorce rests with the supplier of the advertising." Adland is forever in ferment. The betting now is that JWT will start swinging punches of its own.

Plain sailing

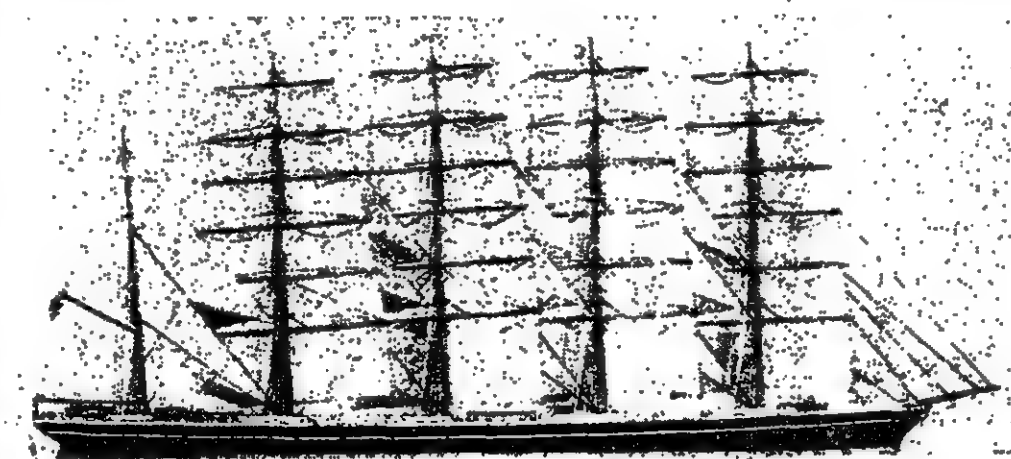
Britain may well be ahead of the world with its Government-backed plans to produce a 12,000 deadweight ton cargo sailing ship. The idea, if realised, could settle many of the present problems of shipping, battling to survive in the face of freight rates which barely cover operating costs of conventional diesel-powered ships.

The plan has been developed by Windrose Ships of Fawley, Southampton, in collaboration with Burness, Corlett and Partners, naval architects, and the Wolfson Marine Group at Southampton University, already noted for its ideas on rotating sails.

Earlier this year Windrose produced a detailed paper setting out its reasoning for a commercially viable sailing cargo ship. Tucked away towards the end of the 49 page document was a simple statement outlining a programme for a feasibility study—to cost £3,000.

The collaborators thought this study would be undertaken with a conventional shipowner, but there were no takers. Most British shipowners, like their counterparts overseas, were more concerned with ways of operating their existing diesel ships without ever-mounting losses.

By June a benefactor had



Sails away: the shape of things to come?

£3,000 for the feasibility study. This is now proceeding. Work will cover a study of the cargoes, freight rates and charter rates which may be charged. A detailed specification of the 12,000 dwt sailing vessel will be drawn up and there will be an evaluation of the likely need for trained personnel.

The skills built-up over many centuries of sailing ship operation have not been regularly used commercially for almost a quarter of a century. Windrose said this single problem of manning the ship could well deter a prospective sailing ship owner from giving the project serious consideration. The company proposed that the first cargo sailing ship of the new generation would have to be a cadet training ship. This could attract "high calibre young men to sea" and provide a nucleus of sail-trained officers for manning an expanded sailing ship fleet.

The greatest single factor which could sink or sail a future fleet of cargo clippers would be fuel costs. Windrose told the Department of Industry that at mid-1977 prices for bunker fuel, a viable sailing ship would produce savings of £800,000 per year compared with a 12,000 dwt motor vessel. The figure could double in 10 years, says Windrose.

The initial study of operating costs for the sailing ship showed some unexpected differences compared with a motor-powered vessel.

The biggest difference would be in wage costs, reflecting the labour intensive nature of sailing ship work. These were put at \$203,500 for the sailing ship for a year, compared with \$134,000 for the diesel vessel, at 1977 prices.

Food costs on the sailing ship would be nearly double (at \$15,275 per year) those of the motor ship. It was not clear from the Windrose research whether or not this reflected more of the same type of food or more high energy, high protein diets of steak for breakfast, dinner and tea. A high gross content would certainly push the food bill up.

Insurance would be the same, capital costs would be the same, but the aply named overheads, maintenance and repairs would be double on the sailing ship. These and other figures gave a daily operating cost in the Windrose study of \$5,173 for the 12,000 dwt sailing ship against \$7,142 for the same size motor vessel.

On a typical voyage from a UK port to Melbourne and back, the sailing ship would take 104 days at an average speed of 11 knots and in this

respect it would be soundly beaten by the motor ship, which would complete the journey in 82 days at 12 knots. But the customer whose freight was carried between Britain and Australia on the great clipper routes of old, would smile if he took the slower ship when he learnt of the \$10.7 saving per ton of freight.

The next stage in the project calls for a lump sum of £78,000 for a full-scale design contract. Shipowners anxious about their falling freight rates on conventional ships may know by August, when the initial study is finished, whether or not they should dip into corporate pockets to fund the final stage before full construction.

Getting the needle

WHAT DO Parliament Square, Kensington Gardens, St. James's Park, Portland Place and the British Museum's forecourt have in common? They are all considered as sites for the erection of Cleopatra's Needle, which arrived in England 100 years ago after a bizarre and tragic voyage from Alexandria.

From its present leafy obscurity on the Thames Embankment, where only a few curious tourists go to inspect it, one would scarcely imagine the excitement aroused by the arrival after a journey in which six men died—of the 180-ton piece of pink granite, quarried nearly 3,500 years ago at Aswan, Upper Egypt.

Large crowds cheered its final installation, a walk was composed in its honour, newspapers and magazines, led by Punch and the Illustrated London News, kept up a running commentary in words, photographs and cartoons. But today the centenary of that event is being marked only by a small, although succinct and fascinating, exhibition at the Museum of London.

First offered as a gift to the British monarch by the Egyptian ruler Mohammed Ali 60 years previously, it had lain rudely ignored on the sand at Alexandria throughout the middle of the last century, near the site where it had adorned a Palace in honour of the Caesars.

It was one of a pair brought to Alexandria for that purpose on the orders of Cleopatra from Heliopolis, where 1,500 years previously it had first been raised by the Pharaoh Thoutmos III. Further hieroglyphics were added by Ramses II.

Successive Governments having refused to put up the money, public opinion took a hand,

regarding it partly as a matter of imperial pride (France, our arch rival on the Nile, had erected a similar Egyptian obelisk in the Place de la Concorde), and partly as a challenge to Victorian marine engineering.

The motives were combined in Sir Erasmus Wilson, the surgeon, who put up £10,000, and in John Dixon, the engineer, who designed the remarkable craft to sail it to its new imperial setting.

Another factor was that the obelisk and its partner were being threatened with destruction by a Greek property developer who wanted to build on the land where they lay.

Dixon designed and commissioned from the Thames Ironworks and Shipbuilding Company what looked like a First World War submarine—an unpowered iron tube, with deck house, deck rails and large rudder. It was taken in sections to Alexandria where it was assembled around the obelisk and named "The Cleopatra."

The first mishap occurred at the launching in August, 1877. Cleopatra hit a rock, and had to be lifted and pumped out before going into dry dock to have her superstructure fitted.

Worse happened two months later in a storm in the Bay of Biscay. The tug Olga, which was towing Cleopatra, cast her loose, but lost six men who were sent to take off the Cleopatra's crew. The cylinder was then lost for three days, before a passing steamer spotted her and towed her to the Spanish coast.

There she lay, the centre of a salvaging argument, until January 1878 when she was at last towed to Lambeth, in East London. In July, a high tide allowed her to be grounded at the Adelphi Steps on the Embankment, where the obelisk was removed from the Cleopatra and lifted by hydraulic jacks. A specially built timber scaffolding raised it horizontally and, on September 12 to the cheers of the crowds, and decked in the British and Turkish flags, its base was slowly swung down on to the plinth where it still stands.

The site is far less imposing than those of the Egyptian obelisks in Paris and Rome, and perhaps even of Cleopatra's sister Needle, which adorns Central Park, New York. It was enhanced a couple of years later with two bronze sphinxes, but they make poor guardians since they were mistakenly placed facing the wrong way.

Michael Thompson-Noel

Lynton McLain

Maurice Samuelson

Economic Diary

MONDAY—London Hotel and Catering Industry Training Board statement on its survey of the industry, Stafford Hotel, London. House of Commons business includes Transport Bill, Lords amendments and Drivers' Hours and Community Road Transport Rules Regulations. "Council House Sales" endorsed by Labour Party national executive committee, calls for end to pre-emption periods and discounts in sale of council houses.

TUESDAY—Confederation of British Industry industrial trends survey for July. Power workers shop stewards committee meets at Co-op Hall, Doncaster. Commons: Consolidated Fund (Appropriation) Bill. WEDNESDAY—UK official reserves (July) and capital issues and redemption (July). Commons debate Rhodesia. Scottish Confederation of British Industry launches major Scottish industrial survey, Albany Hotel, Glasgow. Mr. William Whitelaw, Conserva-

tive Party Deputy Leader, speaks at Dragon Hotel, Swansea, during visit to Wales. Statement by London Arts Council on building grant. House of Lords rises for summer recess. Call by shop stewards for one-day strike of all Britain's civilian defence workers. THURSDAY—House of Commons adjournment debates before rising for summer recess. Building society house prices and mortgage advances (2nd qtr.).

GOLD.

WHO'S BUYING 45,000 KRUGERRANDS EACH WEEK?

The Germans and Swiss alone are currently buying this amount each week and for some very sound reasons.

The success of the recent I.M.F. Gold Auctions and the fact that mined output is now below industrial demand could point to an important turn round in the gold market.

Furthermore, Krugerrands are currently at a very low premium of about 5% over their gold content. In times of heavy demand this premium has been as high as 32% and, in our opinion, the next major upward price movement in gold will be accompanied by a widening of the 'Krugger Premium'. This, then, could be an outstanding opportunity for investors to move into the gold market ahead of any further rise in the 'Krugger Premium'.

M.L. Doxford (Bullion) Ltd. offers a professional approach to dealing. This includes highly competitive prices and a Limit Order Service which enables investors to set predetermined prices at which to buy or sell. Dealing opportunities which often exist for only a few moments could otherwise be missed.

We also deal in New Sovereigns, Silver Bars and Platinum Ingots. The minimum investment is £500.

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Dow 5.7 higher in heavy trade

INVESTMENT DOLLAR
PREMIUM
 \$2.80 to \$1.99 (99.1%)
 Effective 81.9250-171% (461%)
 AFTER STARTING on an easier note yesterday, Wall Street resumed its upward push in another heavy trade, with the Dow Jones Industrial Average closing at 33.97, up 5.7 points from 28.27.

The Dow Jones Industrial Average improved 3.72 more to 33.97, making a rise on the week of 22.87. The NYSE All Common Index finished 28 cents higher at 336.18 for a week's advance of 3.27, while gains outpaced declines by 960 to 337. Turnover, at 33.97m shares, virtually equaled Thursday's 33.99m.

Brokers said some buying was spurred by the Federal Reserve report after the Stock Market close on Thursday of an unexpectedly sharp decline in the U.S. money supply, which adds to indications that interest rates may be peaking.

The market overcame early hesitation on the Labour Department report that the Consumer Price Index in June rose at an adjusted 10.9 per cent annual rate, the same as in the previous month. The White House called the CPI report "extremely disappointing" and Federal Reserve

Board Chairman Miller termed the increase "disturbing".

Analysts added that recent stock market gains had been aided by a generally improved flow of second-quarter earnings statements. Press reports revealed yesterday that a survey of businesses shows a 1.1 per cent rise in second-quarter earnings.

The dollar fell to new lows yesterday against the Swiss franc and the Japanese yen, in part because of the CPI sharp rise. American Glaxo and Blue Chip stocks, IBM advanced 2 1/2 in a new high for the year of \$278 1/2. Dow Jones gained 11 to \$112 1/2, while IBM gained 11 to \$287 1/2. Texas Instruments 11 to \$87 1/2, Xerox 7 to \$35 1/2, and active Johnson & Johnson 3 1/2 to \$25 1/2.

National Airlines moved ahead 8 1/2 to \$26 1/2 after trading was mixed. Texas International Airlines said it has asked for Civil Aeronautics Board approval to acquire control of National.

THE AMERICAN STOCK MARKET was active in a very active session, with the Dow Jones Industrial Average rising 5.7 points to 33.97, a gain of 2.31 for the week of 23.1. Volume was 33.97m shares (3.98m).

CANADA—Most stocks made further headway in a very active session. The Toronto Composite Index put on 2.2 to 1,389.4, while the S&P 500 advanced 5.2 to 1,390.0.

Papers 2.15 to 124.63 and Utilities 1.08 to 180.11. Banks, however, came back 1.03 to 283.13.

PARIS—Stock prices continued to advance, leaving the Euronext industrial index 1.3 higher at a new peak for the year of 757.7. Brokers commented that the market has recently become increasingly more confident of Prime Minister Raymond Barre's ability to restore balance to the French economy, noting that this is reflected in the strength of the franc on foreign exchange markets. They said Friday's good stock market performance partly reflected the second consecutive lowering of the call money rate by 1 of a point to 7 per cent—its lowest level in 30 months.

GERMANY—Shares were dealer-inclined yesterday, but eastern said optimism in the market remained high and losses were due to technical factors following sharp gains over the past two weeks. The Conventbank index came back 3.5 from the year's peak attained on Thursday to close at \$16.4.

Stores, however, which have been particularly strong of late, rose afresh, with Karstadt adding DM 5 and Neckermann DM 2.50. Among Motors, BMW advanced

DM 4.50 more, but Daimler Benz receded DM 1.50.

JOHANNESBURG—Golds closed the week on a strong note, reflecting record Bullion levels. Trading was fairly active throughout the day, with local interest, bolstered by Overseas demand.

Platinum shares also advanced, recording gains of up to 12 cents in response to the upward trend in world prices for the commodity.

TOKYO—Market displayed an upward bias, helped by renewed buying interest in domestic oriented stocks. Nikkei came to 2,000 shares (270m).

Electricals and Motors gained ground, with investors welcoming the Bank of Japan's interest intervention to support the dollar in Tokyo. YTD Electronics rose YTD to 2,250, Matsushita Electric YTD to 2,750 and Toyota Motor YTD to 2,850.

HONG KONG—After a two-day closure due to a tropical storm, the market started higher yesterday on mainly local demand, but eased near the close on profit-taking. The Hang Seng index was still 3.94 up on the day at 581.56.

Indices

NEW YORK—DOW JONES

	July 28	July 27	July 26	July 25	July 24
Index-trail...	835.29	850.57	847.18	858.57	861.15
Home births	87.98	87.48	87.29	87.15	87.15
Town-port...	236.31	236.17	236.00	235.08	229.15
Imports...	106.46	106.08	105.96	105.95	105.95
Testing...	55,970	55,960	66,860	25,400	25,400

Domestic market discount	Treasury Bill %	Eligible Bank Bill %	Prime Bank Bill %	Time Bill %
3 1/2	—	—	—	—
4 1/2	—	—	—	—
5 1/2	—	—	—	—
6 1/2	—	—	—	—
7 1/2	—	—	—	—
8 1/2	—	—	—	—
9 1/2	—	—	—	—
10 1/2	—	—	—	—
11 1/2	—	—	—	—
12 1/2	—	—	—	—
13 1/2	—	—	—	—
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99 1/2	—	—	—	—
100 1/2	—	—	—	—

STOCK EXCHANGE REPORT

Equities extend rise with accent on growth stocks

Gold strong on record bullion price—Gilts react late

Account Dealing Dates

*First Declared Last Account
Dealings Date Dealings Day
July 10 July 20 July 21 Aug 1
July 16 July 23 Aug 2 Aug 15
Aug 7 Aug 17 Aug 18 Aug 30

*Note: "Dealings" may take place
from 9.30 a.m. to 2.00 p.m. on the
day of the deal.

The advance in industrial
markets broadened yesterday,
taking in many secondary issues
and particularly those thought to
possess potential for future profits
growth following Thursday's vote
passing the Government's Bill on
dividend control.

Impressive as equities looked
though, they were upstaged by
South African Gold shares which,
responding to the bullion price
which jumped \$7½ to its highest
ever level of \$201½ per ounce,
went ahead strongly to leave the
FT Gold Mines index at over a
two-year peak.

Gift-edged securities were not
neglected and forged gradually
higher. But the gains, extending
to 1½, were surrendered after the
official close of business owing to
the announcement of a new long
stop stock exchange 12 per cent
1998-2002; \$200m of this is to be
issued at 96, with 15 payable on
application next Wednesday.

Although bettering the previous
day's volume, trade in leading
industrials was hampered by a
continuing stock shortage and for
this reason buyers turned their
attention to stocks recommended
in an investment advice for their
growth potential. Principal beneficiaries with sharp rises of
between 3p and 25p were
Watsons, Vinten Group, Ricardo
and Co. and Victor Products.

Midland confounded the banking
sector, after Barclays' pleasant
surprise on Thursday, producing
half-yearly results at the lower
end of expectations, and slightly
more disappointing than both the
recent Lloyds and NatWest
figures.

The three main FT-Actuaries
indices all moved a little nearer
their all-time peaks, while the FT
Industrial Ordinary share index
gained 3.3 further to 402.1; the
last-named has risen 86.5 in the
last three weeks and stands at its
highest since January 5 last.

Hopes that a new long stop would
not be announced were dashed in
British Funds by the 3.30 p.m.
announcement of \$200m of this
cheaper 12 per cent 1998-2002
issue. When dealings resumed
after the usual recess to consider
the implications of the terms of
the issue, quotations were
reactionary and the longs reverted
to overnight bid levels after
having been some 1½ higher just
before the official close. A similar
tendency developed in the shorts,
earlier encouraged by both
sterling and this week's Treasury
bill rate trend, but small gains

were still evident late in the
evening.

Conditions became less volatile
in the investment currency
market, but the course of sterling
exerted downward pressure on the
premium. After falling to 98½
and rallying to 100½ per cent, the
rate closed unchanged on balance
at 98½ per cent. Yesterday's SE
conversion factor was 0.6763
(0.6838).

Activity in Cons. Gold positions
fevered dealings in the
forenoon yesterday. The price of the
underlying equity rose 8 to 183p
in sympathy with the jump in the
Gold bullion price and helped
bring about a brisk option trade:
187 contracts were done and the
October 180 series rose 8 to 40p,
while the October 185 added 5 to
22p. The overall total of 704 was
300 more than the previous day's.

Recent newcomer Ernest Jones
(Jewellers) encountered small
trading and improved 2 to 140p
for a premium of 25 on the issue
price of 115p.

Midland dull
First-half profits from Midland
which fell far short of expectations
concluded what has proved
to be a disappointing interim
dividend season for the big four
clearers. Midland closed 13 down
at 352p, after 350p, while NatWest
lost 5 to 270p and the Warrants
cheapened 2 to 94p. Barclays,
which had earlier touched 346p
following comment on the
interim results, finished unaltered
at 342p. Elsewhere, however,
Graindays continued to improve
on the better-than-expected half-
yearly profits and put on 4 more
to 133p, making a rise on the
week of 15. Discounts edged
higher, with Allen Harvey and
Jessel Tynbæe adding 4 at 63p.

The cash and shares offer from
Comben, currently worth 50p per
share, was a disappointment, but
prompted increased activity in the
householding sector; Orme pro-
gressed 1½ more to 57½ on hopes
of a rival bid, possibly from Saint
Piran which recently acquired a
25 per cent stake. Barrat Develop-
ments were sought after following
a Press mention and added 6 to
113p after 114p, while M. P. Kent
held a sympathetic improvement
of a penny at 38p. Speculative
country buying was partially re-
sponsible for a rise of 6 to 184p
in Istocok Johnson while Tunnell B
and BPS improved 4 to 306p and
8 to 246p respectively. Commat
Thursday's results lifted the
land 3 to 155p for a gain of 9
since the announcement.

Early buying of ICI failed on
and, after 385p, the close was un-
changed at 381p.

Bourne up again
Stores again attracted good sup-
port and closed with widespread

gains. Speculative buying in
anticipation of early news of the
bit discussions helped Bourne and
Holdings advance 15 more
to 212p, taking its rise on the
week to 97. Bid hopes also
brought fresh gains of 5 and 30
respectively to Great Bros, 197p,
and Fortnum and Mason, 750p.

While John Michael jumped 7 to
20p for a similar reason, J. J.
Dewhurst improved 2 to 66p with
the help of Press comment and
Steinberg's hardened a penny to
171p in response to the doubled
annual earnings. Gussie A stood
out among the leaders with a
gain of 6 to 312p, after 314p, while
Save Discount, 83p, and Bishops'

Retailers made the running in
firm foods. J. Sainsbury's stood
out among the leaders with a
gain of 6 to 312p, after 314p, while
Save Discount, 83p, and Bishops'

Charles Clifford Industries hard-
ened 2 more to 112p, for a two-
day gain of 12. Davy Inter-
national added 5 to 260p and
improvement of around 4 were
recorded in Babcock and Wilcox,
157p, GEA International, 99p, and
respectively to Great Bros, 197p,
and Fortnum and Mason, 750p.

By way of contrast, General
Engineering (Radcliffe) had a late
relapse of 6 to a 1978 low of 12p
in reaction to the annual deficit
and omission of a final
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FINANCIAL TIMES STOCK INDICES

Government Sec.	70.74	70.79	70.08	71.07	70.89	70.76
Fixed Interest	79.25	72.81	72.82	72.82	70.89	70.76
Industrial Ordinary	498.1	498.5			488.5	479.1
Gold Mines	103.4	173.0	70.6	175.4	180.1	179.5
Ord. Div. Yield			5.51	5.47	5.50	
Earnings, "Total Assets"	16.42	16.53	16.73	16.60	16.69	16.83
P/E Ratio (Book)	8.13	8.06	7.99	8.06	8.01	7.94
Dividends	5.517	4.775	5.108	5.420	4.935	4.826
Equity turnover %		76.18	68.95	94.37	77.18	72.66
Equity leverage total		18.465	16.056	19.577	17.348	17.555

Alexander Fund
77, rue Notre Dame, Luxembourg
Alexander Fund, \$108.95 1.00
Net asset value July 28 2.53

Arbitrage Securities (C.I.) Limited
15, rue de la Loi, Luxembourg
Cap. Fr. (July 28) 121.90 4.33
Net dealing date August 1 3.85
Next sub. August 2

Australasian Selection Fund N.V.
Market Opportunities, c/o Irish Young & Co.,
Glasgow, 127, Kent St., London, E.C.4
Net Asset Value July 20 1.00

Bank of America International S.A.
35 Boulevard de la Reine, Luxembourg
Widened Income, N.V. 120.40 4.59 7.70
Prices at July 25, Next sub. Aug. 2, 1968
For Bank of America with withdrawal lines
Alexander Fund 1.00

Beaune Bruxelles Lambert
2, Rue de la Reine 85 1000 Brussels
Rente Fund I.R. 13.00 1.50 4.73
7.73

Barclays Unicorn Int. (Ch. Is.) Ltd.
1, Charles Cross, St. Helier, Jersey 05347274
Overseas Income 49.40 4.54 12.90
Net dealing date July 28 4.00
Unbonded Trust 53.80 1.50 4.00

Barclays Unicorn Int. (H. O. Man.) Ltd.
1 Thomas St., Douglas, L.O.M. 05344536
De. Balance Am. 25.40 4.54 1.70
De. Balance Br. 25.40 4.54 1.70
De. Gr. Pacific 25.40 4.54 1.70
De. Gr. Pacific 25.40 4.54 1.70
De. Gr. Pacific 25.40 4.54 1.70

Bishopsgate Commodity Ser. Ltd.
1, Rue de la Reine 85 1000 Brussels
CANSO July 28 12.00 2.50 4.00
CANSO July 28 12.00 2.50 4.00
CANSO July 28 12.00 2.50 4.00

Bridge Management Ltd.
P.O. Box 508, Grand Cayman, Cayman Is.
Raffles Hotel, 100, Raffles Place, Singapore
Nippon Oil Ind. Ex-Stock Split 6.84

Britannia Trust Mgmt. (Ch. Ltd.)
30 Bath St., St. Helier, Jersey. 05347114
Sterling Reinvested Fds.
Initial Fds. 37.20 4.54 1.00
Sterling Income 37.20 4.54 1.00
Sterling Income 37.20 4.54 1.00
Sterling Income 37.20 4.54 1.00
Sterling Income 37.20 4.54 1.00

Brown Shipley Trust Co. (Jersey) Ltd.
P.O. Box 585, St. Helier, Jersey. 05347477
Sterling Fund Fds. 12.00 2.50 4.00

Butterfield Management Co. Ltd.
P.O. Box 180, Hamilton, Bermuda. 05347477
Butterfield Income 12.00 2.50 4.00
Prices at July 17, Next sub. day August 10

Capital International S.A.
1, rue de la Loi, Luxembourg
Capital Int. Fund. 1.00 1.00 1.00

Charterhouse Japan
J. Paenonnet Row, E.C.4. 01-348788
Admiral 100.00 1.00 1.00
Admiral 100.00 1.00 1.00
Admiral 100.00 1.00 1.00
Admiral 100.00 1.00 1.00
Admiral 100.00 1.00 1.00

Clive Investments (Jersey) Ltd.
P.O. Box 120, St. Helier, Jersey. 05347268
Clive Fds. 12.00 2.50 4.00
Clive Fds. 12.00 2.50 4.00
Clive Fds. 12.00 2.50 4.00
Clive Fds. 12.00 2.50 4.00
Clive Fds. 12.00 2.50 4.00

Cornhill Inc. (Guernsey) Ltd.
P.O. Box 157, St. Peter Port, Guernsey
Initial Man. Fds. 12.00 2.50 4.00

Deutsche Invest. Nassau, Bahamas
Deutsche Invest. 12.00 2.50 4.00

Deutscher Investment Trust
Postfach 2833 Biebrachgasse 6-10 8000 Frankfurt
Deutsche Invest. 12.00 2.50 4.00
Deutsche Invest. 12.00 2.50 4.00
Deutsche Invest. 12.00 2.50 4.00

Dreyfus International Int. Fd.
P.O. Box N2712, Nassau, Bahamas. 05347268
Dreyfus Int. Fd. 12.00 2.50 4.00

East Asia Trust Ltd. (St. Helier, Jersey)
East Asia Trust Ltd. 12.00 2.50 4.00

Eurobond Holdings N.V.
Handelslaan 24, Willemstad, Curacao
Eurobond Holdings N.V. 12.00 2.50 4.00

F. & C. Management Ltd. Pte. Advisors
14, Launceston Highway, Hill, ECAR DBA.
01-383480

Fidelity Fund July 19, 1968
Fidelity Fund July 19, 1968 12.00 2.50 4.00

Fidelity Fund & Res. (Eds.) Ltd.
Fidelity Fund & Res. (Eds.) Ltd. 12.00 2.50 4.00

Fidelity Am. Inv.
Fidelity Am. Inv. 12.00 2.50 4.00

Fidelity Int. Fund.
Fidelity Int. Fund. 12.00 2.50 4.00

Fidelity World Fd.
Fidelity World Fd. 12.00 2.50 4.00

Fidelity Mgmt. Research (Jersey) Ltd.
Fidelity Mgmt. Res., Don St., St. Helier, Jersey.
05347268

First Viking Commodity Trusts
R. St. George's St., Douglas, L.O.M. 01-383788
First Viking Commodity Trusts 12.00 2.50 4.00

Fleming Japan Fund S.A.
77, rue Notre Dame, Luxembourg
Fleming Japan Fund S.A. 12.00 2.50 4.00

Free World Fund Ltd.
Butterfield Bldg., Hamilton, Bermuda.
NAV June 20 1.00 1.00 1.00

G.T. Management Ltd.
Park House, 18 Planchy Square, London E.C.2
G.T. Management Ltd. 12.00 2.50 4.00

Gartmore Invest. Ltd. Ldn. Agts.
2, St. Mary Ave, London, E.C.3. 01-383788
Gartmore Invest. Ltd. 12.00 2.50 4.00

Hammond (Guernsey) Ltd.
150, Raffles Place, Singapore
Hammond (Guernsey) Ltd. 12.00 2.50 4.00

Hammond Pacific Fund Mgmt. Ltd.
P.O. Box 120, St. Helier, Jersey. 05347268
Hammond Pacific Fund Mgmt. Ltd. 12.00 2.50 4.00

Harbour (Guernsey) Ltd.
P.O. Box 120, St. Helier, Jersey. 05347268
Harbour (Guernsey) Ltd. 12.00 2.50 4.00

Hill Samuel Overseas Fund S.A.
77, rue Notre Dame, Luxembourg
Hill Samuel Overseas Fund S.A. 12.00 2.50 4.00

International Pacific Inv. Mgmt. Ltd.
P.O. Box 120, St. Helier, Jersey. 05347268
International Pacific Inv. Mgmt. Ltd. 12.00 2.50 4.00

J.C. Managers (Jersey) Ltd.
P.O. Box 120, St. Helier, Jersey. 05347268
J.C. Managers (Jersey) Ltd. 12.00 2.50 4.00

Jersey Estate Trust
P.O. Box 120, St. Helier, Jersey. 05347268
Jersey Estate Trust 12.00 2.50 4.00

John Fleming & Co. (Jersey) Ltd.
40th Floor, Connaught Centre, Hong Kong
John Fleming & Co. (Jersey) Ltd. 12.00 2.50 4.00

Life-Save & Co. (Guernsey) Ltd.
80, Raffles Place, Singapore
Life-Save & Co. (Guernsey) Ltd. 12.00 2.50 4.00

Lloyds Bank (C.I.) U/T Mgmt.
P.O. Box 120, St. Helier, Jersey. 05347268
Lloyds Bank (C.I.) U/T Mgmt. 12.00 2.50 4.00

Lloyds International Mgmt. S.A.
7 Rue du Rhone, P.O. Box 178, 1211 Geneva 11
Lloyds International Mgmt. S.A. 12.00 2.50 4.00

M & G Group
Three Quay, Tower Hill Bldg. 680, 01-383480
M & G Group 12.00 2.50 4.00

Manuel Montagu Ltd. Agts.
Apollo Bldg. 19, St. Helier, Jersey. 05347268
Manuel Montagu Ltd. Agts. 12.00 2.50 4.00

Murray, Johnstone (Inv. Adv.)
189, Hope St., Glasgow, C. 01-3216621
Murray, Johnstone (Inv. Adv.) 12.00 2.50 4.00

Negit S.A.
106, Boulevard Royal, Luxembourg
NAV July 21 1.00 1.00 1.00

Neight Ltd.
Bank of Bermuda Bldg., Hamilton, Bermuda.
NAV July 14 1.00 1.00 1.00

Phoenix International
P.O. Box 77, St. Peter Port, Guernsey.
Phoenix International 12.00 2.50 4.00

Quest Fund Mgmt. (Jersey) Ltd.
P.O. Box 120, St. Helier, Jersey. 05347268
Quest Fund Mgmt. (Jersey) Ltd. 12.00 2.50 4.00

Richmond Lee Ass. Ltd.
46, Adhol Street, Douglas, L.O.M. 05347268
Richmond Lee Ass. Ltd. 12.00 2.50 4.00

Rothschild Asset Management
P.O. Box 38, St. Julian's, C. Guernsey. 05347268
Rothschild Asset Management 12.00 2.50 4.00

Royal Trust (C.I.) Fds. Ltd.
P.O. Box 120, St. Helier, Jersey. 05347268
Royal Trust (C.I.) Fds. Ltd. 12.00 2.50 4.00


Save & Prosper International
Dealing in
77 Broad St., St. Helier, Jersey. 05347268
Save & Prosper International 12.00 2.50 4.00

Schlesinger International Mgmt. Ltd.
41, La Motte St., St. Helier, Jersey. 05347268
Schlesinger International Mgmt. Ltd. 12.00 2.50 4.00

Singer & Friedlander Ldn. Agents
20, Cannon St., London, E.C.4. 01-383480
Singer & Friedlander Ldn. Agents 12.00 2.50 4.00

Stronghold Management Limited
P.O. Box 315, St. Helier, Jersey. 05347268
Stronghold Management Limited 1


FINANCE, LAND—Continued



Stewart Wrightson

International Insurance Brokers for the Oil Industry

1 Canemate Street
London EC3A 7JH
Telephone 01-492 7871



MINES - Continued									
CENTRAL AFRICAN									
1978	Stock	Price	+/-	1980	Yld	1978	Stock	Price	Yld
High				Low	Ctr	High			
20	Palom Bldg	170	+	0.80	3.25	1	Palom Bldg	170	3.25
24	Rion Corp. 16p	16	+	0.50	7.3	5	Rion Corp. 16p	16	7.3
50	Rion Corp. 16p	16	+	0.50	7.3	5	Rion Corp. 16p	16	7.3
52	Rion Corp. 16p	16	+	0.50	7.3	5	Rion Corp. 16p	16	7.3
58	Rion Corp. 16p	16	+	0.50	7.3	5	Rion Corp. 16p	16	7.3
70	Wentle Co. 16p	16	+	0.50	7.3	5	Wentle Co. 16p	16	7.3
78	Wentle Co. 16p	16	+	0.50	7.3	5	Wentle Co. 16p	16	7.3
82	Wentle Co. 16p	16	+	0.50	7.3	5	Wentle Co. 16p	16	7.3
84	Wentle Co. 16p	16	+	0.50	7.3	5	Wentle Co. 16p	16	7.3
104	Wentle Co. 16p	16	+	0.50	7.3	5	Wentle Co. 16p	16	7.3
AUSTRALIAN									
15	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
16	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
18	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
19	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
20	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
21	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
22	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
23	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
24	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
25	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
26	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
27	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
28	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
29	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
30	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
31	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
32	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
33	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
34	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
35	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
36	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
37	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
38	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
39	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
40	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
41	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
42	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
43	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
44	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
45	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
46	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
47	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
48	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
49	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
50	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
51	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
52	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
53	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
54	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
55	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
56	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
57	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
58	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
59	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
60	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
61	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
62	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
63	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
64	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
65	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
66	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
67	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
68	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
69	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
70	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
71	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
72	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
73	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
74	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
75	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
76	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
77	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
78	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
79	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
80	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
81	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
82	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
83	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
84	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
85	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
86	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
87	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
88	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
89	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
90	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
91	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
92	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
93	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
94	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
95	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
96	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
97	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
98	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
99	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
100	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4

TINS									
10	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
11	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
12	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
13	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
14	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
15	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
16	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
17	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
18	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
19	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
20	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
21	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
22	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
23	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
24	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
25	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
26	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
27	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
28	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
29	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
30	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
31	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
32	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
33	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
34	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
35	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
36	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
37	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
38	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
39	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
40	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
41	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
42	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
43	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
44	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
45	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
46	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
47	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
48	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
49	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
50	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
51	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
52	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
53	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
54	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
55	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
56	Alcoa 5c	114	+	0.80	1.4	39	Alcoa 5c	114	1.4
57	Alcoa 5c								

